

A New Digital Approach to enable Strategic Activities

**How digital technologies
could enable strategy**

January 2021



Executive Summary



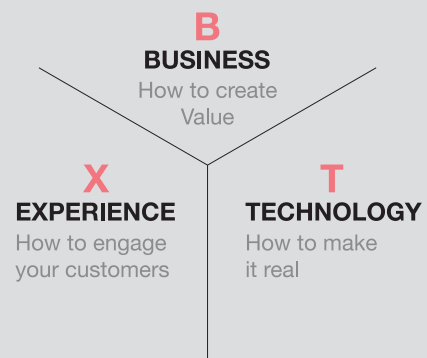
Our BXT | Business eXperience Technology approach

The BXT approach and model

Business eXperience Technology

As part of the PwC network, we work as a whole team with our multi-competence colleagues, experts on technology, customer experience and vertical business sectors. Starting from the customers' experience and their digital maturity / readiness, we will identify the most relevant technologies for your business requirements and we evaluate the opportunity more aligned to achieve your goals

Source: PwC Strategy&



Business velocity and volatility requires companies to accelerate the pace of strategic activities

Overview of strategy activities and benefit from digital technologies

Strategic activities	Need to adopt new digital technologies	Expected benefits
Strategic and Business Planning	<ul style="list-style-type: none"> Shorten the strategic planning cycle to accelerate organic / inorganic growth Data driven decision making as a key lever of competitive advantage to predict market trends 	<ul style="list-style-type: none"> Quicker response to market's need and trends Address emerging clients' segments and underserved market niches Easier tracking / updating of the strategic deployment plan
Business Model design	<ul style="list-style-type: none"> Innovate the Business Model, through new value propositions and operating model architecture Effective and efficient End-to-End innovation process is required to accelerate the go-to-market 	<ul style="list-style-type: none"> Quicker customers' needs discovery and more effective prototyping phase More effective and efficient business model innovation process
Business Valuations and M&A	<ul style="list-style-type: none"> Data-driven approach for Value Creation analysis and deployment Automation of valuation activities, both for typical M&A tasks and soft areas (e.g. employees' engagement, cultural evaluation, customers' sentiment) 	<ul style="list-style-type: none"> Quicker identification of potential targets Generation of new "un-structured" insights More efficient data crunching Alignment of culture with the analytic model

Source: "A New Digital Approach to Strategic Activities: Technologies and Tools Available With the Consulting Support", Swiss School of Management, PwC Strategy&

Several software, platforms and tool are available to improve the effectiveness and efficiency of strategic activities



Overview of strategy activities and enabling digital technologies & tools

Strategic activities	Enabling technologies & tools	Examples of potential enablers		
Strategic and Business Planning	<ul style="list-style-type: none"> Big data analytics, customer and sentiment analyses, natural language understanding and processing Artificial intelligence, machine learning, graph analysis Robotic Process Automation, data visualization, PPM tools 	PwC GLP	myInvenio	Celonis
		PwC Trend Watching	Alteryx	Gephi
		Technology Radar	Palantir	Cloudera
Business Model design	<ul style="list-style-type: none"> Artificial intelligence and natural language understanding and processing Ecosystem management tool and PPM tools Productivity and collaboration tools, innovation platforms 	Einstein	Lens.org	Cipher
		Tegetik	Neo4j	Kira Inc.
		The Brain	UiPath	Qlik
Business Valuations and M&A	<ul style="list-style-type: none"> Artificial intelligence and natural language understanding and processing Robotic Process Automation Ecosystem management tool 	Tableau	Board	Cora
		Mural	G Suite	Brightidea
		KPI6		

Source: "A New Digital Approach to Strategic Activities: Technologies and Tools Available With the Consulting Support", Swiss School of Management, PwC Strategy&

A structured approach should be adopted to select and deploy the most suitable digital technologies & tools

PwC Strategy& suggested approach

Strategy and capability gap

- **Definition of the new strategic guidelines and underpinning innovation roadmap**
- **Outline of the key differentiating capabilities** to deploy the strategic guidelines to create sustainable competitive advantage
- **Assessment of the current state of the IT systems and tools** (e.g. architecture, applications, interfaces, networks, etc.)
- **Gap identification** of the current vs. ideal state, including organization and skills' maturity

List of capability gaps
related to suboptimal processes, practices, skills, architectures, technologies and tools

To – Be technological model

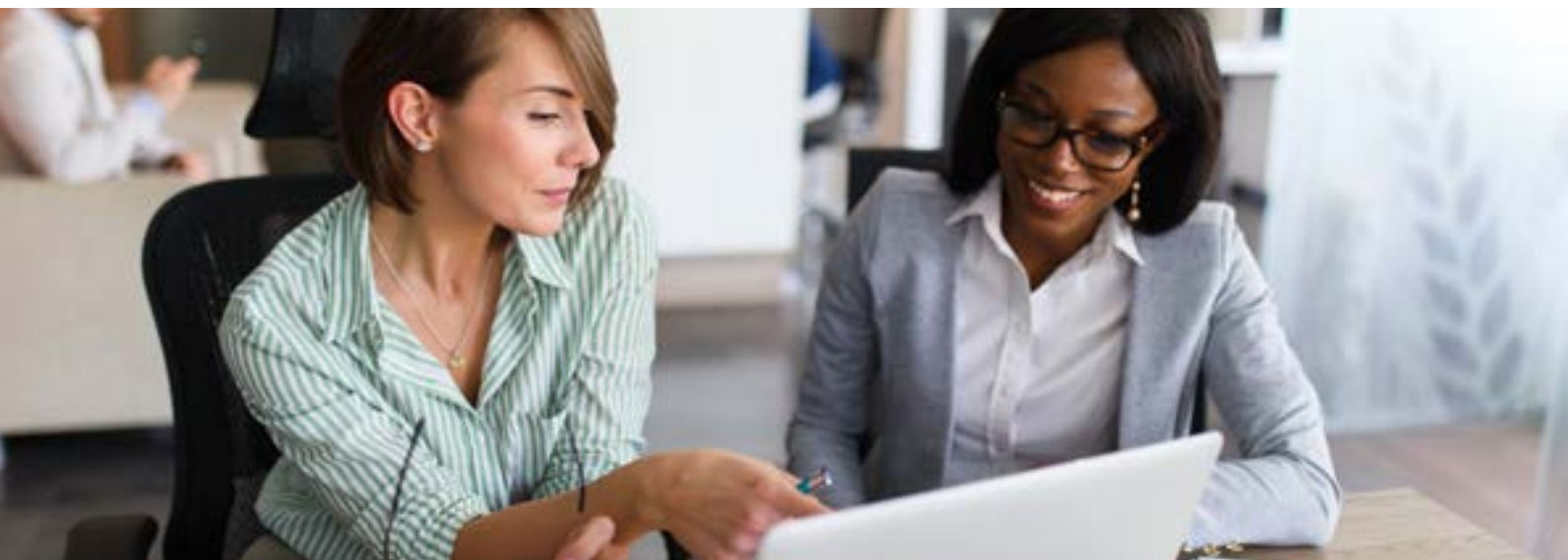
- **Design of technological model** to fit the business requirements and processes
- **Identification of potential vendors,** offerings and related features to fill the identified capability gaps
- **Assessment of vendors solutions** in terms of technological maturity and solidity, openness and configuration options, integration issues, privacy and security, compliance requirements, costs and investments, etc.
- **Short-listing of most suitable solutions** on the market

To-be model and scorecards of the short-listed solutions

Change and execution

- **Integration strategy** to minimize risk/cost and maximize usability (e.g. on premise vs. cloud)
- **Business and technological requirement** for configuration and integration with the current systems and processes
- **Integration and customization** of the new solution in the existing systems
- **Training & coaching for upskilling, communication and change management;** eventual process and organizational adaptations
- **Roll-out of the strategic & innovation plan**

Full integration, customization and adoption





Several use cases could be enabled by digital technologies to support strategic activities

Clusters	Enabling technologies	Selection of use cases			Examples of enablers
		Strategic and Business Planning	Business Model design	Business Valuations and M&A	
Input	1. Process mining		Efficiency increase through process analytics/ visualization		Celonis myInvenio
Data Processing	2. NLU, NLP and NLG	Business opportunities discovery through trend watching	Product features review through sentiment analysis	Customer behaviour/ claims analysis & Contract simplification	PwC Trend Watching Kira Inc.
	3. Analytic Process Automation	Automatic sales data processing and statistical analysis			Alteryx
	4. Big Data analytics	Marketing strategy definition through customer data analysis			Cloudera Palantir
	5. Graph analytics	Customer behaviours identification through social network analysis	IT architecture analytics and risk assessment		Neo4j Gephi
	6. Robotic process automation		Back-office activity optimization	Automation of data scouting and analysis	UiPath
	Output	7. Data visualization and reporting	Sales & marketing dashboarding and visualization		Sales & marketing dashboarding and visualization
Platform / Facilitator	8. Project portfolio management	Strategic project KPIs real-time monitoring	Planned activities and interdependencies tracking		Cora
	9. Productivity and collaboration		Workshop coordination for business model co-design		Mural G Suite
	10. Innovation platforms		Innovation and ecosystem management		Brightidea

Note: NLP = Natural language processing; NLU = Natural language understanding; NLG = Natural language generation
Source: PwC Strategy&

Project capitalization and incentive programs can boost our approach to digital transformations

Project capitalization and incentive programs

 Incentive programs	 Project capitalization
<p>Large national and European incentive programs are available or going to be released to support companies' digital transformations</p>	<p>Capitalization of digital transformation projects would allow to expense its cost over future periods, limiting the EBITDA impact in the short-term</p>
<p>Approach</p> <ul style="list-style-type: none"> • Identification of national and European incentive programs, tax deduction and funding instruments in company's specific sector (e.g. Digital Europe Programme, CEF Digital, Horizon Europe, Credito d'imposta per innovazione tecnologica digitale 4.0, Fabbrica intelligente, etc) • Support during the preparation of the documentation, the application process until the obtaining of the incentive 	<ul style="list-style-type: none"> • Identification of technology related projects to achieve the strategic goals • Perform the mandatory checks to ensure that the scope of the projects is eligible to be capitalized • Support the preparation of the documentation to ensure the capitalization of the project
<p>Benefits</p> <ul style="list-style-type: none"> • Reduce the cost of the project, co-financing the investment in innovative programs, new digital enablers, products or services • Increase digital literacy of company's workforce 	<ul style="list-style-type: none"> • Limit the impact on the EBITDA related to the cost of the project • Ensure the digital transformation of the company with mid-term benefits on the top-line while maintaining OpEx under control in the short-term



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