LEAPFROGGING TO TRANSFORMATION

The digital journey, an opportunity for France

A study of French businesses digital maturity

SEPTEMBER 2014
The most digitally mature companies have experienced growth 6 times higher than the least mature ones.

Employees of the most digitally mature companies show a well-being score in their professional lives 50% higher than those of the least mature ones.

Although 57% of companies state that digital transformation is one of their strategic priorities in the medium term, only 36% of them have a formalized digital strategy.

59% of French people shop online while only 11% of French companies sell online, an example of the French paradox: French customers are much more “digitally mature” than the average European but companies are much less mature than average for Europe.

The untapped growth reservoir for companies: by accelerating their digital transformation, French companies may double their revenue growth rates.
Becoming increasingly connected and increasingly equipped with devices, witnessing changes from the rise of smartphones to the development of e-commerce and from high-speed online access to online public services, France has seen digital technologies spread to fully mesh with society and lead to new behaviors and new expectations from users. As a result, the digital transformation of businesses is gaining traction. This transformation requires both adaptation and anticipation. But it is not only technology-centric, since it requires equipment-driven, usage-driven, organizational and cultural evolutions.

Today’s digital companies embody these developments, because they were born with them embedded in their DNA: focus on the added-value for the users, fast product launches and iterations in order to offer what fits best, fluidity of the user experience, light organization and flattened hierarchy, openness and ability to build on the external environment... They live in constant re-invention, being stimulated by movement and by the ability to confront new challenges.

Eventually though, all companies are involved. The study led by Roland Berger analyzes how French companies make these development concepts their own and what their effects might be. It presents an original digital maturity index for businesses and aims to assess the economic and social impact of digital transformation.

Digital is a lever for companies’ growth and for increase in the well being of employees

Almost half of the companies surveyed believe that the deployment of digital approaches in business has a positive impact on their revenues. Beyond this assessment, it can be measured that the most “digitally-mature” companies have a revenue growth 6 times higher than that of the less mature companies. And beyond the strictly financial impact, it appears that the employees of the companies that are more advanced in their digital transformation feel more comfortable in their professional settings, with index levels of professional well being 50% higher than for the less advanced ones. The culture of digital companies focuses strongly on the human factor: these companies understand that employees may be a source of constant improvement and even innovation. Once trained, employees are really driving the core of the digital transformation.
Overcoming inertia and triggering the virtuous circle of digitalization to take advantage of the growth reservoir

The more advanced companies are in their digital transformation, the more they perceive the benefits on their performance, both economic and social, supporting the idea of a virtuous circle in the digitalization of companies or, in other words, the existence of a “snowball” effect of digital on performance as well as the existence of a critical threshold in digital transformation. Large companies, as they appear to be more digitally mature than SMBs have a real leadership “piggy-backing” role to play towards them. If a few companies are well positioned on advanced digital uses, the majority of French companies are content with a foundation of basic uses and adopt a passive stance towards digital transformation: as an example, less than 30% of them use online data, only 15% of companies have developed a mobile application, and only 13% have developed APIs.

Although they have identified the stakes (57% state that digital transformation is one of their strategic priorities in the medium term), companies insufficiently engage in transformation: only 36% of them have a formalized digital strategy. This highlights another French paradox: companies lag behind consumer use; while nearly 6 in ten French people shopped online in 2013, only 1 French company in 10 sold online.

Yet among consumers, employees are the heaviest digital users (1 worker in 3 used mobile internet in 2013 compared to 1 in 4 for the entire French population). Faced with the lack of supply, the French consumer is already looking much more than their British and German counterparts to make online purchases from foreign players!

The study led by Roland Berger allows estimating the untapped growth that can be reached by traditional businesses if they were to accelerate their digital transformation and get closer to adopting best practices, not to mention the benefit to their staff: a doubling of real growth in revenues is at stake for them. Through their employees, companies have a powerful source of potential “engines” for their digital transformation.

The overall digital transformation that is underway makes for a real opportunity for France: an opportunity for growth, an opportunity to reposition the expertise and know-how of French companies on the world stage, and an opportunity given to companies to have a positive social and societal impact. At stake is a significant increase in real growth (to at least double it) and the renewal of work relationships for companies... no one should ignore these levers of competitiveness!
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