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DIGITAL TRANSFORMATION WORLD

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Catalyst:
Digital Organization & Culture Transformation

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Catalyst Set-up
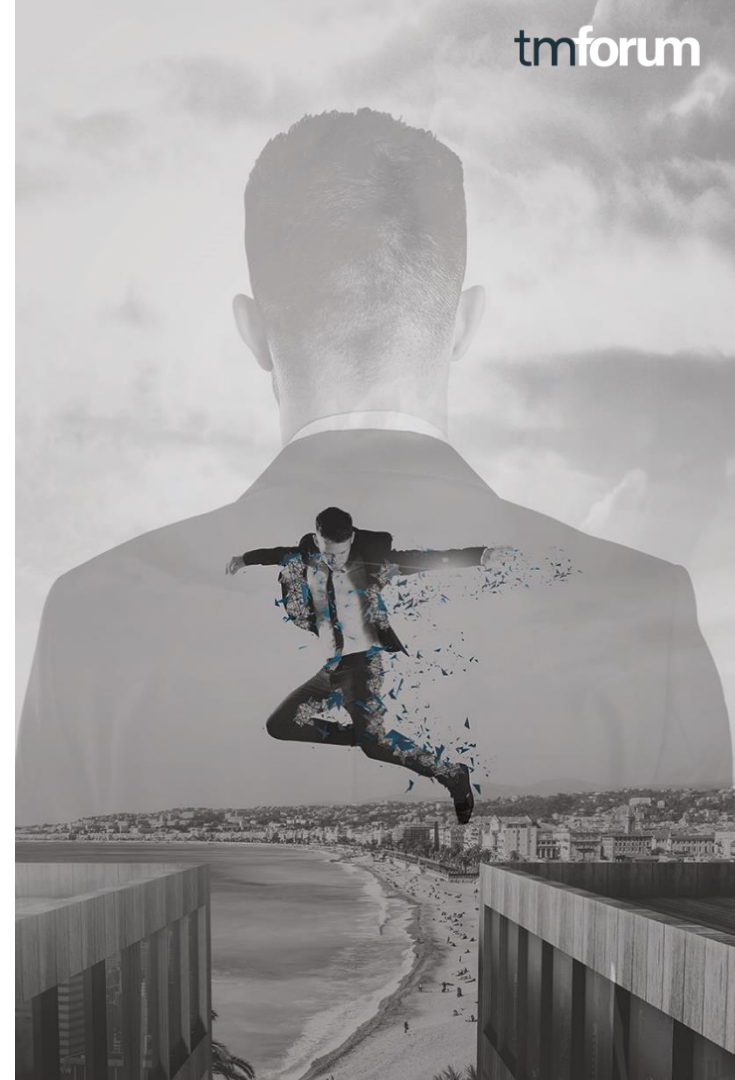
T-Systems' Digital Division is transforming its digital services for scalability and customer accessibility

The Champion's Challenge

Market

small cells · NGN · Fiber · VoLTE · NOC · ethernet · **Virtualization** · network · densification · **Cloud** · data center · OTT · Technology · OSS · VoIP · multimedia · all-IP · IMS · connection · 5G · FTTx

T··Systems·

Standardized & Scalable Products

Digital Division

TRANSFORM

Transformation

Approach

Phase 1:
From Chaos to a digital Operating Model

Phase 2:
From a digital OM towards an agile IoT factory

Separate Divisions

Target Operating Model 2.0

Internet of Things

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T-Systems Digital Division Success Story
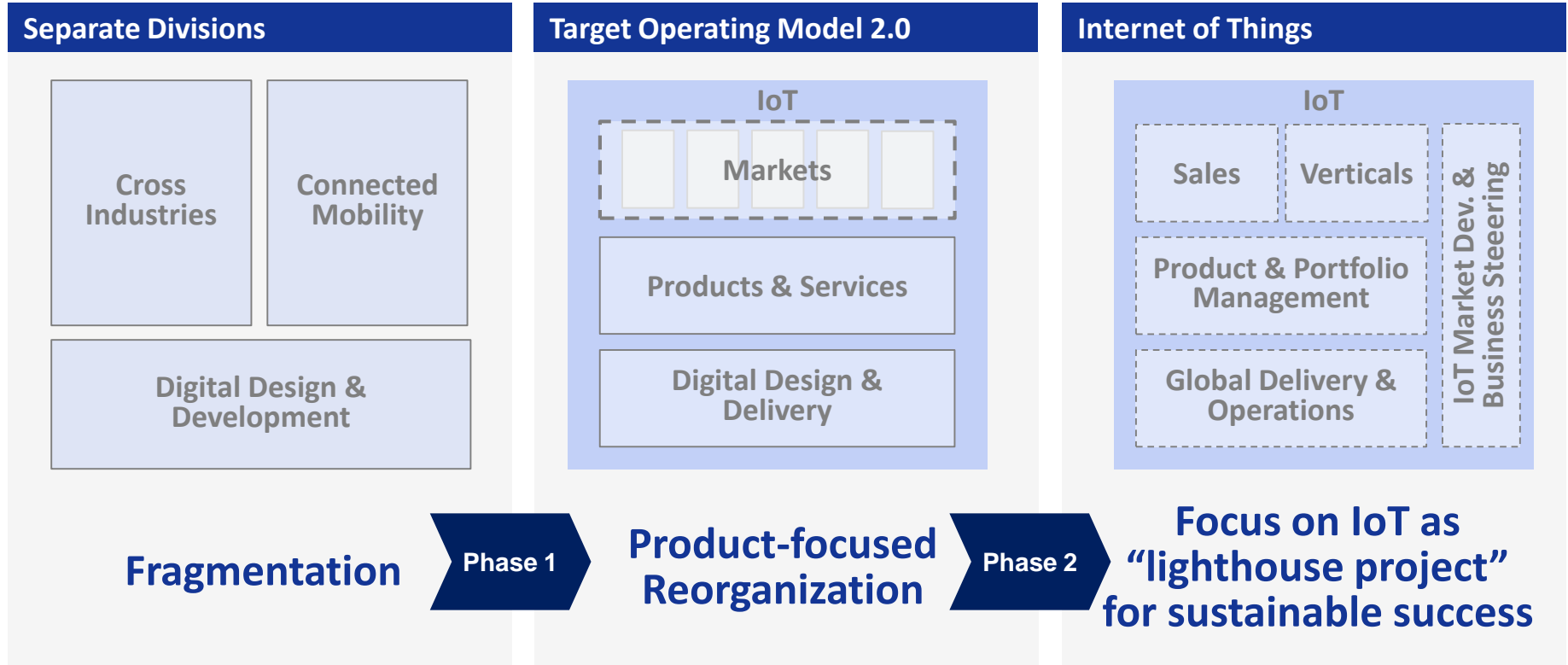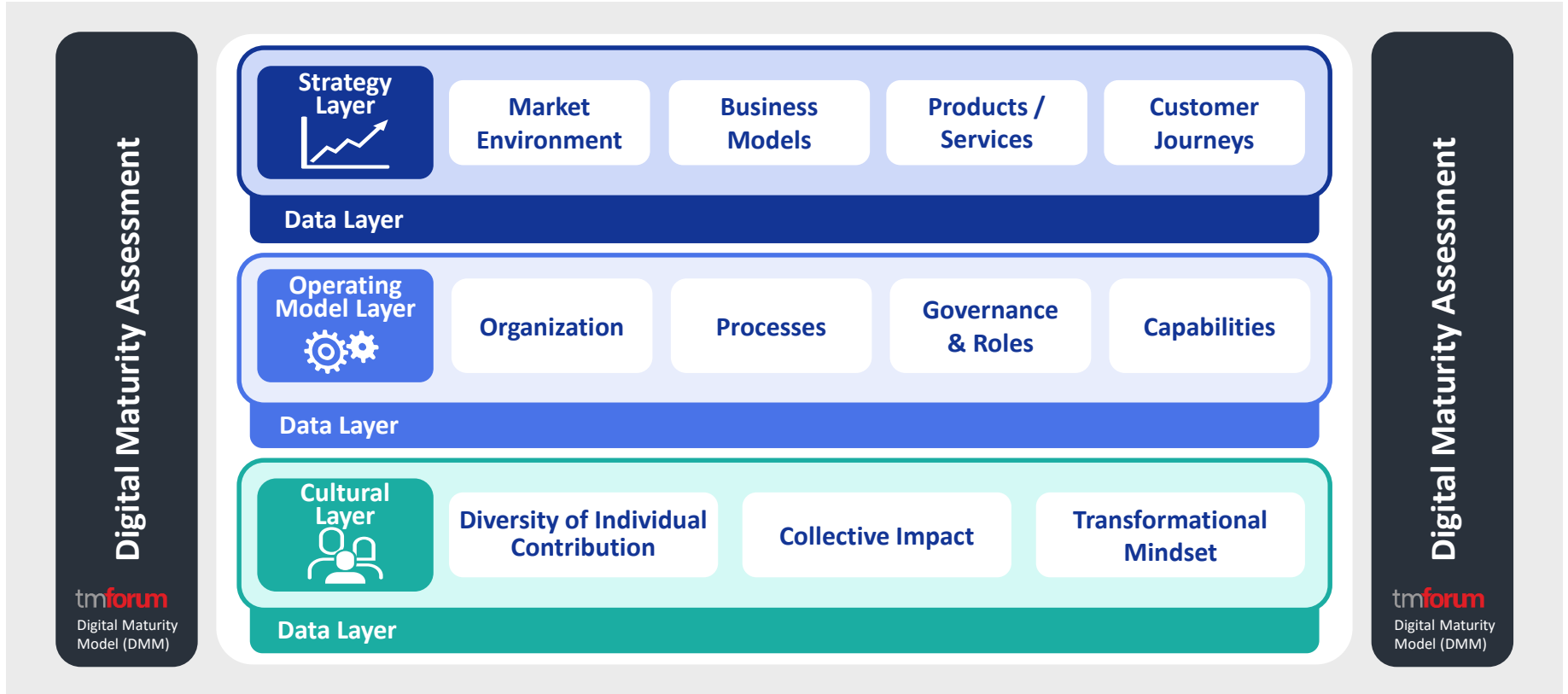
From collecting digital ideas to a digital target operating model to an innovative IoT organization

Separate Divisions

- Cross Industries
- Connected Mobility
- Digital Design & Development

Target Operating Model 2.0

IoT
- Markets
- Products & Services
- Digital Design & Delivery

Internet of Things

IoT
- Sales
- Verticals
- Product & Portfolio Management
- Global Delivery & Operations
- IoT Market Dev. & Business Steeering

Fragmentation → **Phase 1** → **Product-focused Reorganization** → **Phase 2** → **Focus on IoT as "lighthouse project" for sustainable success**
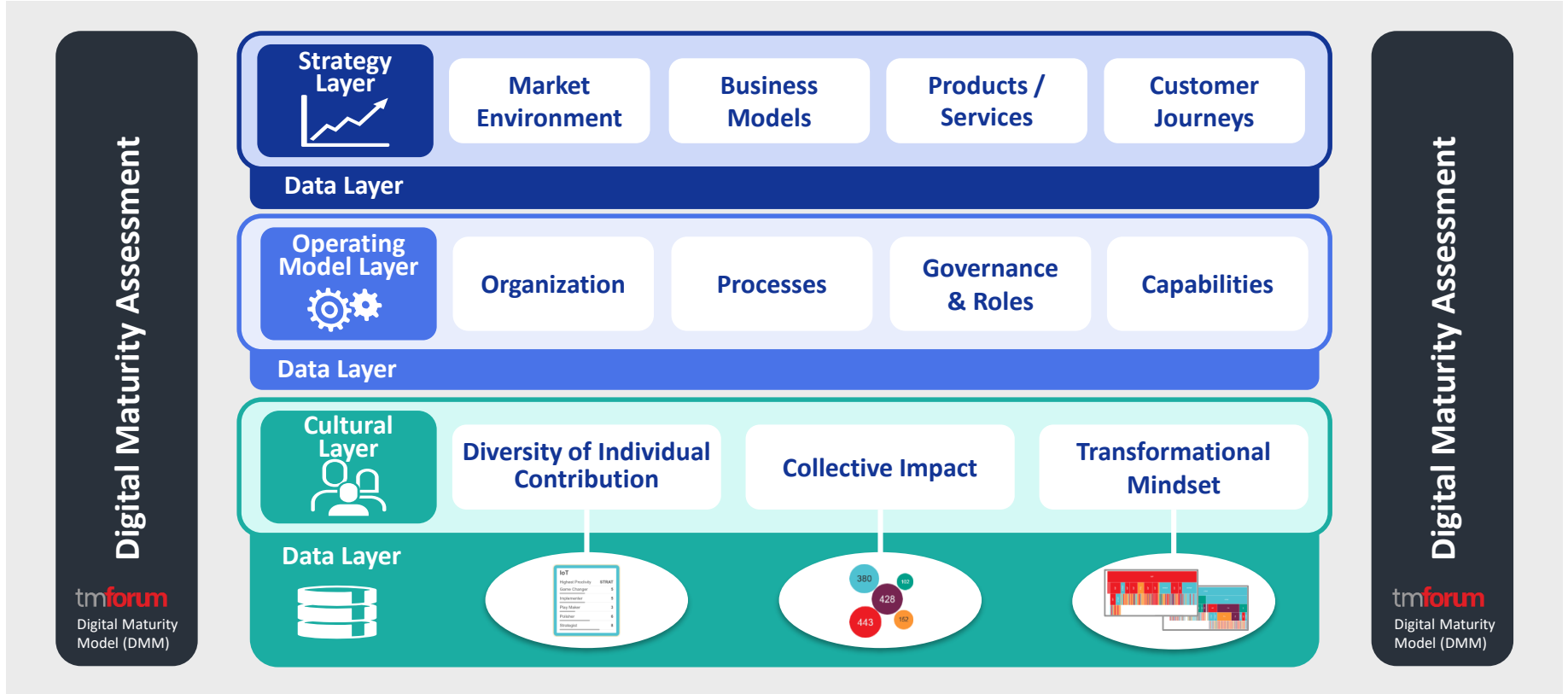
Digital Transformation Framework

Combining proven best practice and data-led, technology enabled digital organization & culture transformation

Digital Maturity Assessment

Strategy Layer

| Market Environment | Business Models | Products / Services | Customer Journeys |

Data Layer

Operating Model Layer

| Organization | Processes | Governance & Roles | Capabilities |

Data Layer

Cultural Layer

| Diversity of Individual Contribution | Collective Impact | Transformational Mindset |

Data Layer

Digital Maturity Assessment

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Digital Maturity Model (DMM)

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Digital Maturity Model (DMM)

Digital Transformation Framework

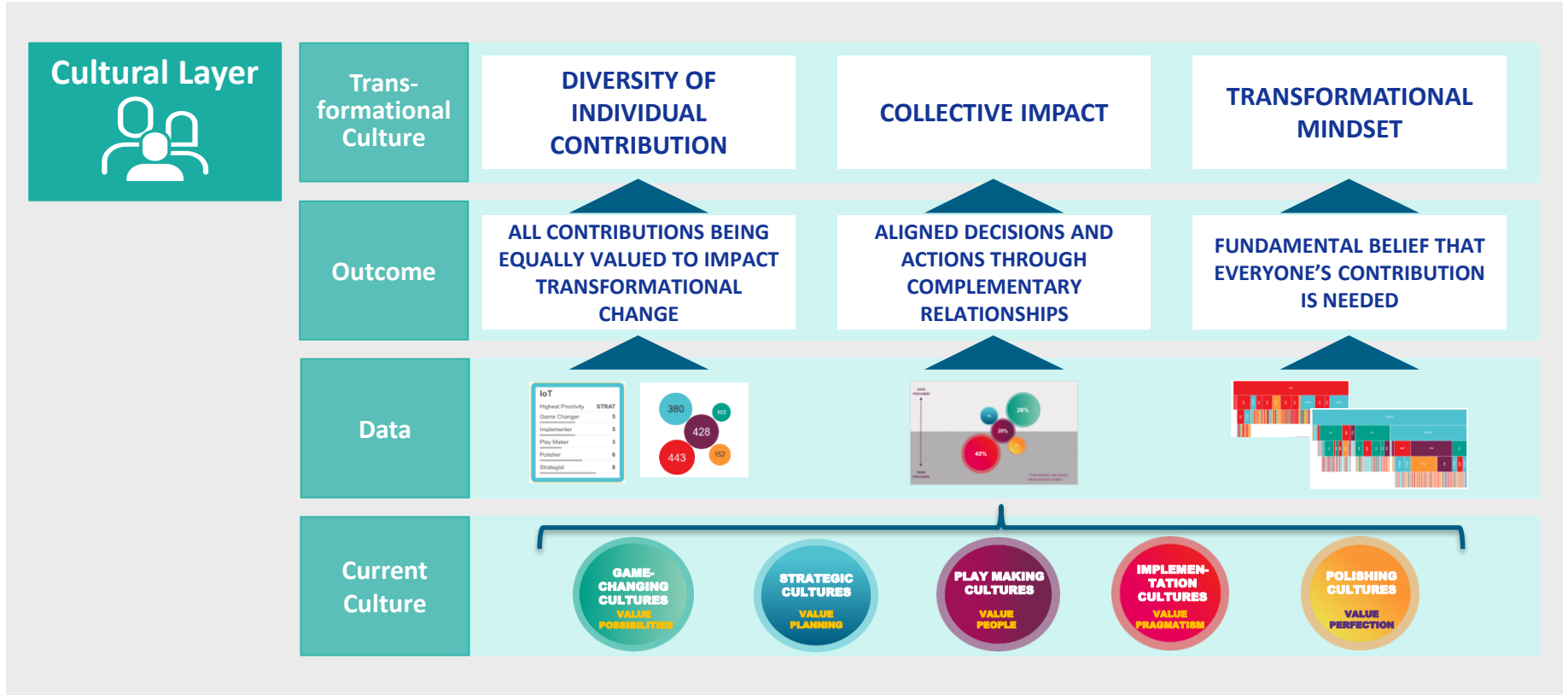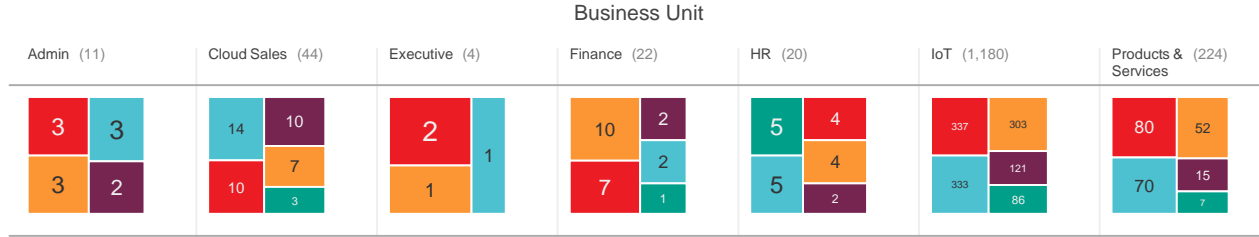**Combining proven best practice and data-led, technology enabled digital organization & culture transformation**

Digital Maturity Assessment

Strategy Layer

| Market Environment | Business Models | Products / Services | Customer Journeys |

Data Layer

Operating Model Layer

| Organization | Processes | Governance & Roles | Capabilities |

Data Layer

- Steer Product Creation
- Finance Manager
- Product Service Manager
- Product Sales Manager
- Product Marketing Manager
- Product Delivery Manager
- Product Manager

- Develop Product Ideas
- Evaluate Product Feasibility
- Deliver Product
- Provide and Improve Product

Cultural Layer

| Diversity of Individual Contribution | Collective Impact | Transformational Mindset |

Data Layer

Digital Maturity Assessment

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Digital Maturity Assessment

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Cultural Layer

Data presents a compelling picture of what organizations need to do to create a culture of transformation

Cultural Layer				
	Trans-formational Culture	**DIVERSITY OF INDIVIDUAL CONTRIBUTION**	**COLLECTIVE IMPACT**	**TRANSFORMATIONAL MINDSET**
	Outcome	**ALL CONTRIBUTIONS BEING EQUALLY VALUED TO IMPACT TRANSFORMATIONAL CHANGE**	**ALIGNED DECISIONS AND ACTIONS THROUGH COMPLEMENTARY RELATIONSHIPS**	**FUNDAMENTAL BELIEF THAT EVERYONE'S CONTRIBUTION IS NEEDED**
	Data			
	Current Culture			

Current Culture circles:
- GAME-CHANGING CULTURES — VALUE POSSIBILITIES
- STRATEGIC CULTURES — VALUE PLANNING
- PLAY MAKING CULTURES — VALUE PEOPLE
- IMPLEMEN-TATION CULTURES — VALUE PRAGMATISM
- POLISHING CULTURES — VALUE PERFECTION

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Cultural Layer

Analyzing the cultural norms within teams and across an organization

Business Unit

| Admin (11) | Cloud Sales (44) | Executive (4) | Finance (22) | HR (20) | IoT (1,180) | Products & Services (224) |

Highest Proclivity

- **GC** — Game Changing Cultures
- **IMP** — Implementation Cultures
- **PM** — Play Making Cultures
- **POL** — Polishing Cultures
- **STRAT** — Strategic Cultures

Cultural Layer

Creating a Culture of Transformational Change

PAST CULTURE
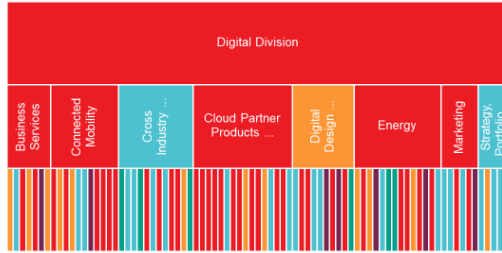
CURRENT CULTURE

Business Outcomes
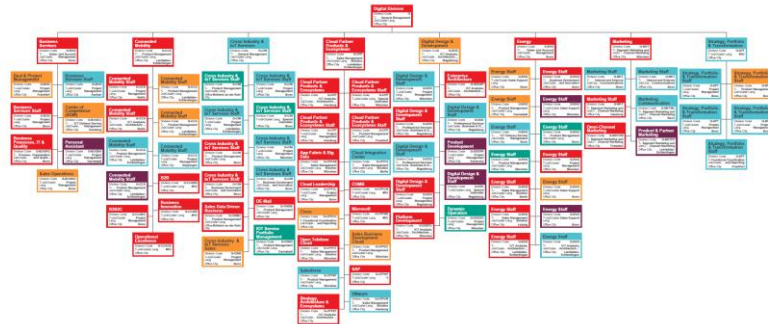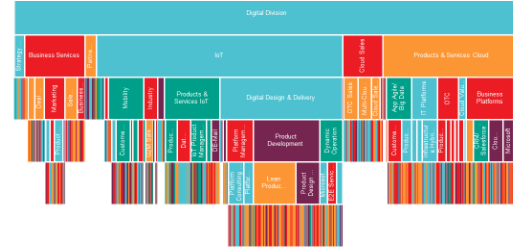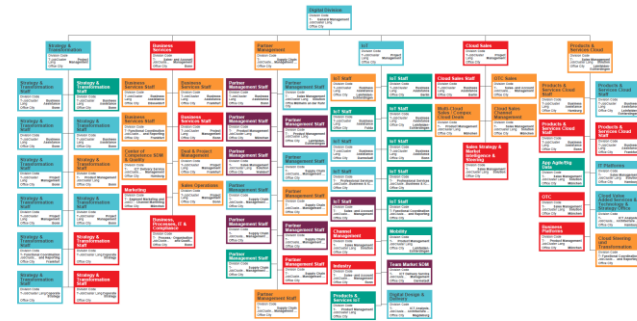
Significant business benefits through culture improvements and data driven organizational change

"People recognised this made a real difference, it changed the way they worked"

Product innovation

Streamlined product / services portfolio and built scalable digital offerings

IoT hub

Transformed Digital Division into Deutsche Telekom's spearhead for innovative IoT products and services

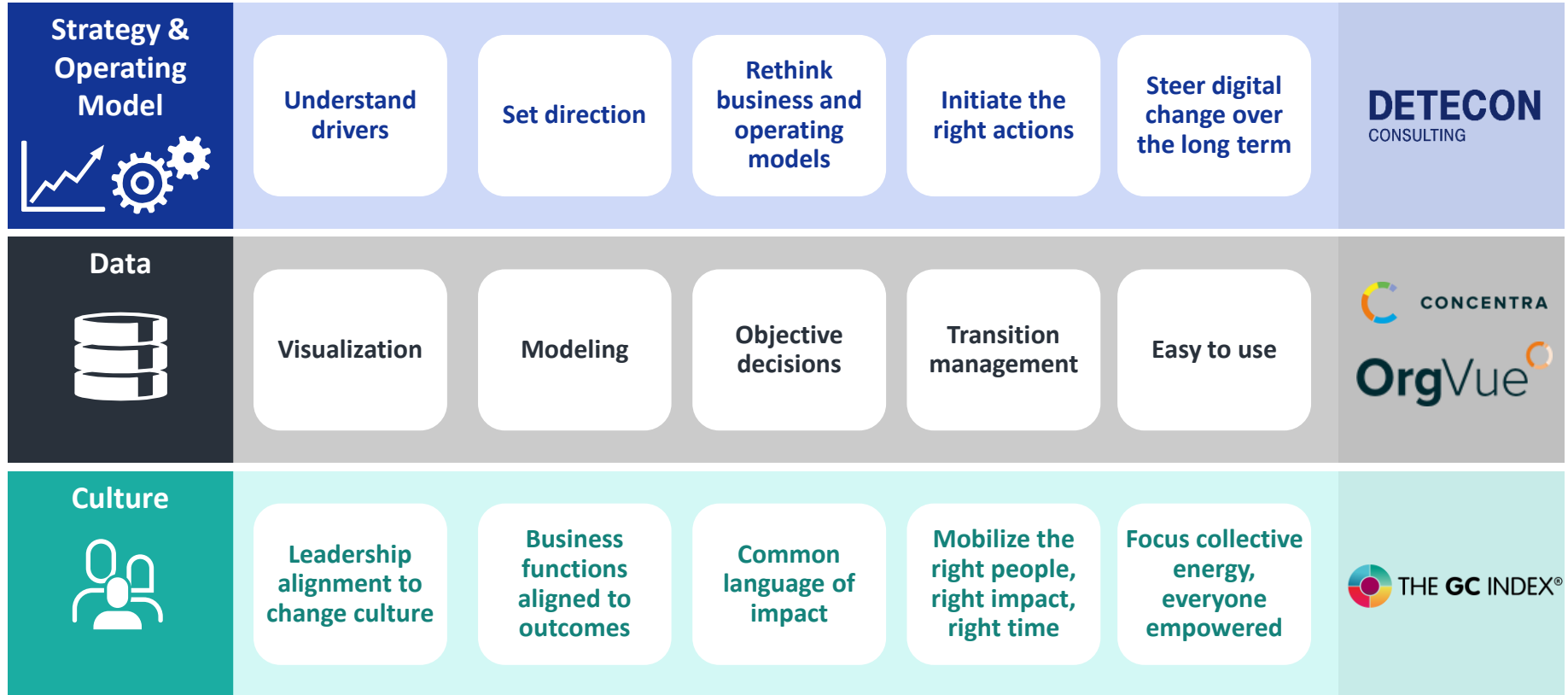### Efficient use of scarce resources

Innovative approach on critical capabilities and ways of working (building on DMM) increased resource efficiency by more than 50%

Effectiveness via better team work

Structure, agile methods and capability blending helped change the culture. Collaboration, effectiveness & efficiency = new customer-driven flexibility & agility

"Demanding exercise … realised changes made sense … approach made it straight forward"

The Key Drivers of Success

Strategy & Operating Model

- Understand drivers
- Set direction
- Rethink business and operating models
- Initiate the right actions
- Steer digital change over the long term

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Data

- Visualization
- Modeling
- Objective decisions
- Transition management
- Easy to use

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Culture

- Leadership alignment to change culture
- Business functions aligned to outcomes
- Common language of impact
- Mobilize the right people, right impact, right time
- Focus collective energy, everyone empowered

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The Key Drivers of Success – In More Detail

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Strategy & Operating Model

- **Understand:** the drivers of digital change
- **Set:** the direction and strategy
- **Rethink:** business and operating models
- **Initiate:** and realize the right actions
- **Steer:** digital change over the long term

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Data

- **Visualization**: easy to see and analyse the organization, and to identify hidden opportunities
- **Modeling**: people and work to develop and cost a range of scenarios
- **Objective**: data driven option analysis and decision making
- **Transition**: align the right people to the right roles and ensure adherence to the plan
- **Easy to use**: fast set up, drag and drop, address data quality like never before

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Culture

- **Senior Leadership Alignment**: to a culture of transformational change
- **All Business Functions**: aligned to all desired business outcomes
- **Common Language**: of individual and collective impact
- **Mobilization of Transformational Teams**: right people, right impact, right time
- **Focused Collective Energy**: everyone empowered to make an impact

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