

Your digital
reinvention
starts here.



You don't add digital. You become digital.



Creating value by reinventing
the core, together.



We all know that technology and digital trends are transforming your environment today. Because of this, businesses are now facing unprecedented uncertainty across customers, competition, and talent. Our decades' worth of technology experience have shown us that to keep pace means to reinvent your business from the core: its people, processes, and value proposition.



An agile coach demonstrates
how mixed reality glasses can
improve the speed and accuracy
of packing processes.
Berlin Experience Studio

Creating value by reinventing the core, together.

That means rethinking how you find, capture, and sustain value. Incremental improvements might provide a temporary boost, but they don't unlock new value—for revenue or productivity, for example—on a tenfold scale. That's what a digital reinvention offers, and it's what your strongest competitors are doing.

To make that sort of leap, you have to disrupt your business model—or create a new one.

The data are clear: disruptive digital strategies are what you need. The winners exceed the laggards in both magnitude and scope. This calls for commitment, resources, and clarity into how you make change happen.

How well you turn digital into value depends on how well you orchestrate the big changes needed. That can be uncomfortable—change often is. It means pushing yourself to set bold aspirations, transform your culture, and build new capabilities and ways of working.

This booklet is a quick guide to how we think about reinvention in today's digital age. We hope it's an illuminating look into McKinsey and how we can help you uncover where the real value exists for you.





More value. Less risk.

●
Discover

○
Design

○
Deliver

A proven process

1. Discover →

shape digital ambition, strategy, and business case based on industry-level insights.

2. Design →

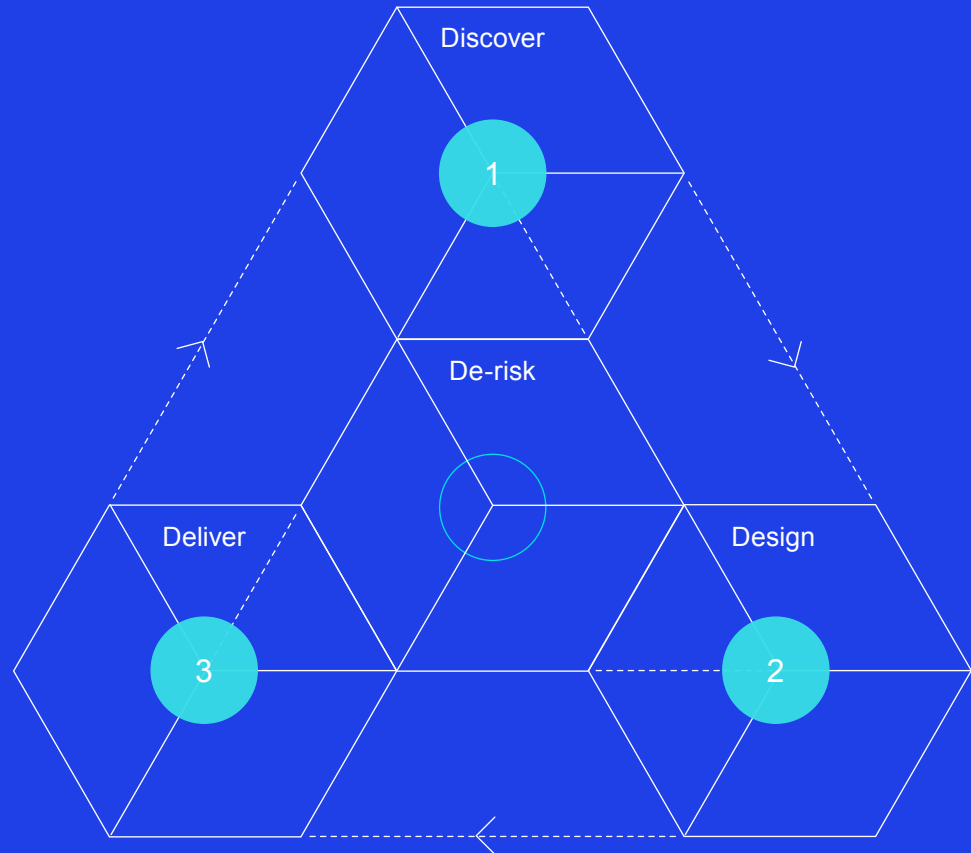
move from “thought” to “thing” via rapid prototyping.

3. Deliver →

activate an ecosystem to rapidly deliver at scale, and to build capabilities.

De-risk

structure the program to reduce risk and capture quick wins.



You're going to move fast.
Make sure you know
where you're headed.



An interview

Tanguy Catlin

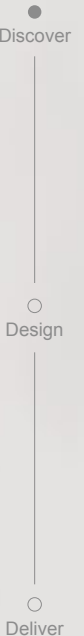
Senior Partner, Boston

“If you can’t measure it, you can’t achieve it.”

Tanguy leads our work in digital strategy and is responsible for Digital Quotient (DQ)—our tool for analyzing and assessing a client’s digital readiness.



Digital Quotient (DQ)



“To discover the transformation you need, a change mentality is more important than technology.”

Find the value

When you try to do many initiatives at once during a transformation, you can't focus properly on all of them—which means you don't focus properly on any of them.

Our Digital Quotient tool identifies the one or two areas of greatest potential value. That means you can target your efforts far more effectively and deliver serious value quickly. It helps a business set solid key performance indicators, which is critical for knowing what success looks like. If you can't measure it, you can't achieve it.

Technology is not the issue

Many companies, especially large incumbents, believe they are held hostage to their technical environment. But that's hardly ever the case.

Digital strategy and culture are often more important than your technical environment. What's needed is a bold vision and a change in mentality to transform a business's metabolic rate and performance.

Culture is critical for attracting the right digital talent, too. No business can reinvent its culture overnight, but we can help you kick-start the process by bringing in experienced colleagues from Digital McKinsey to create an initial digital unit.

In addition to enabling you to start building new customer experiences straight away, this helps establish the processes and behaviors that drive agility and inspire culture change.

As the new digital culture takes shape, your organization becomes an attractive one for outstanding digital talent to join. That's the beginning of a powerful snowball effect, that helps to accelerate your transformation and deliver value faster.



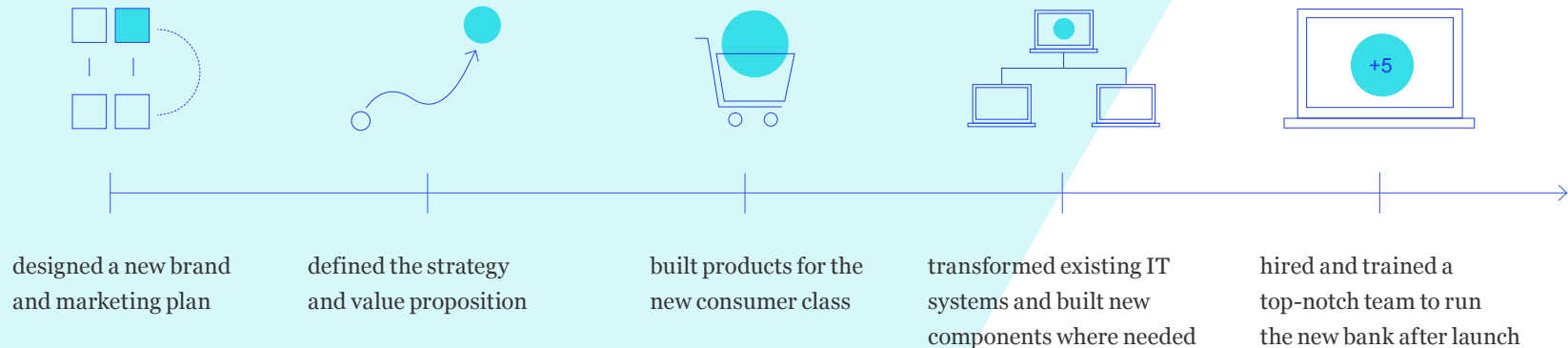
From garage to new digital bank

In a developing country with soaring Internet connectivity and a growing consumer class, we helped launch the first all-digital bank—out of a newly designed innovation space coined “the garage.”

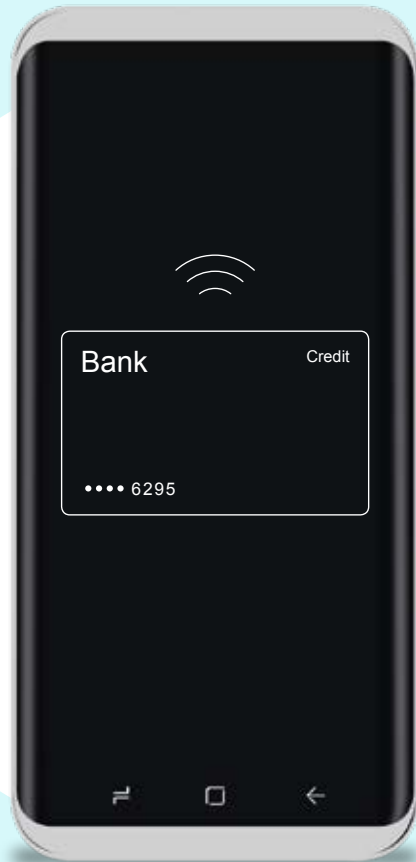
We formed a combined client-McKinsey team of engineers, designers, and businesspeople to define what the company should do and be.

The journey

In only 16 months the combined client-McKinsey team:



From garage to new digital bank



19m

impressions on
social media

3.4m

YouTube views
of launch video
in 2 months

No. 1

trending topic
on Twitter and
App Store

“The key takeaway for us was the shared breadth of experiences, resources, talent, and knowledge McKinsey brought to the table—truly end-to-end business building.”

Head of digital banking,
Southeast Asian bank



Discover

Discover is your first step on the journey to transformation.

Here we lay the groundwork for your digital future and determine where you are now, where you need to go, and how fast you need to get there. We use some of our core tools to help with this process: Digital Quotient (DQ), Digital Capabilities (DC), and Analytics Quotient (AQ). These assess digital and analytics maturity, across your culture, strategy, and capabilities and determine how they impact the bottom line. The data they provide give us benchmarks and shared, objective answers.

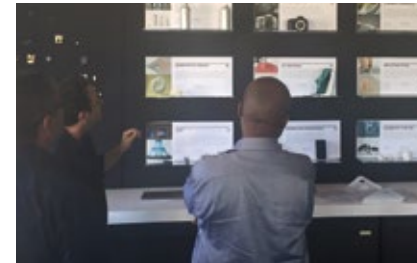
Real-life learning

We also offer immersive learning opportunities to interact with cutting-edge technologies and imagine how they could be integrated into your organization.

These include our global network of Experience Studios, Digital Capability Centers, and one-day Go & See visits.

De-risking Discover

1. In the digital age today the risk for large incumbents comes not from obvious competitors but from those in other industries reinventing themselves. We make sure you're looking at the whole picture.
2. A digital transformation can be a big commitment. We'll share the risk with you by tying our fees to the impact achieved.



Silicon Valley bootcamp
San Francisco



Concept sprint
Experience Studio



Digital Capability Center
Singapore



Experience Studio
Digital Capability Center





Make it. Then keep
making it better.

○
Discover

●
Design

○
Deliver

An interview

Liz Ericson

Partner, London

“You have to design the organization, not just the screens and buttons.”

Liz joined us in 2010 from Google and is now a leader in our digital work in the Consumer Packaged Goods and Retail Practices.

○
Discover

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Design

○
Deliver

“Design backward from the outcome you want—not forward from the systems you have.”

More than buttons and screens

To deliver an outstanding customer experience, it’s important to consider how well the technologies in your organization are in sync with every aspect of your business. All of that has to be designed—the process, not just the “cool gadgets.”

The disproportionately successful companies are the ones which focus on designing their IT architecture, entire organization, operating model, and culture—not just the screens and buttons.

Design the business you want to be

Decide where you need to be exceptional, and where it’s fine to be just OK. No business is perfect at everything. It’s important to be pragmatic.

Equally, design is not about resolving every detail. It’s about answering the big, simple questions that set your broad direction.

For incumbents, it’s also important that your design allows you to be nimble—you can choose not to execute a plan if things change.

Start with the end

It’s easy to assume that digital is all about technology. That can lead to plenty of anxiety about migrating everything from legacy systems to new.

In fact, the key is to design backward from the outcome you want—not forward from the systems you have. Getting to that outcome is usually about adding to older systems, not replacing them.

It’s also about building a bite-size architecture, one that allows you to remove and replace different elements and one that has sufficient redundancy so that you can try things out without risking the whole system.



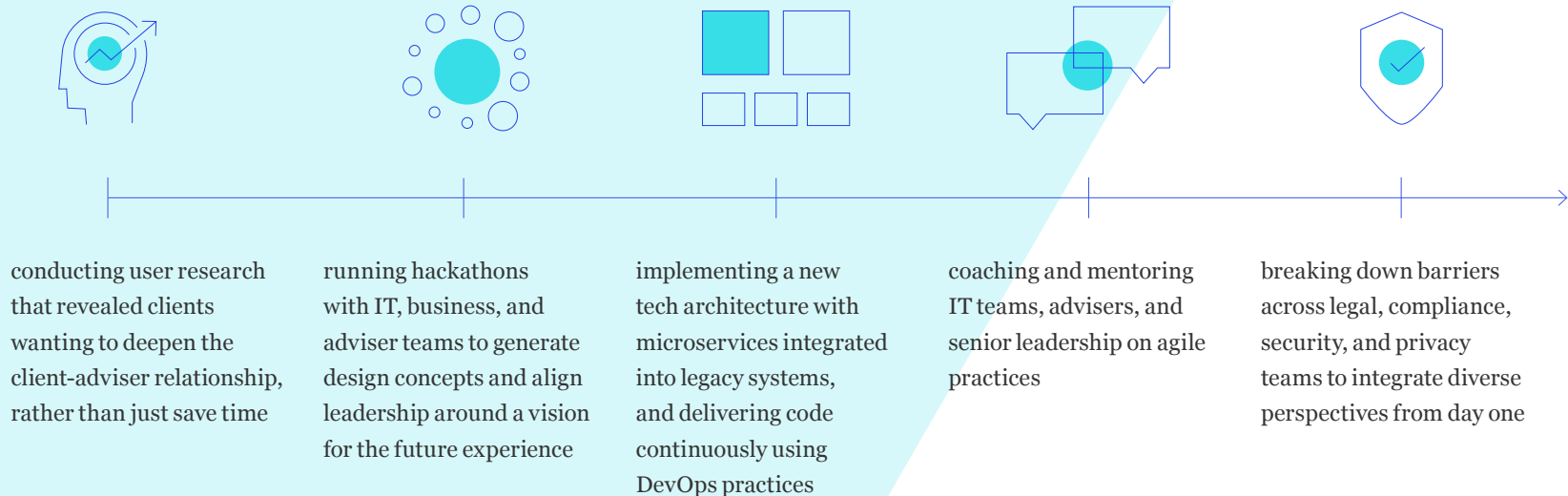
Transforming customer experience in wealth management

Our client had been advising high-net-worth investors for over 100 years, but its analog model had teams spending hours dealing with countless pieces of paper, dozens of signatures, and weeks of delays instead of understanding clients' goals and priorities.

Together, we transformed the account-opening process, fostering collaborative and agile ways of working between IT and business teams.

The journey

In 16 weeks, we helped the business design and launch a new user journey and move to an agile mind-set by:



Transforming customer experience in wealth management



30 min

new client onboarding,
reduced from 1–2 weeks

75%

time savings for
mid- and back-office

“Seeing how this new platform dramatically supports better quality interactions with clients totally blew our advisers away.”

Head of wealth management

Analyzing a new type of car model

A century-old luxury automotive business was experiencing delays in bringing cars to market along with high development costs. Our advanced analytics firm QuantumBlack worked with them to gather and combine

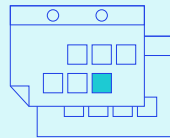
years' worth of data to produce meaningful insights around human behavior. This helped uncover the causes and determine what improvements could be made.

The journey

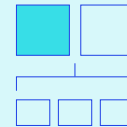
The insights provided by QuantumBlack have enabled the team to:



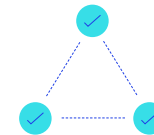
optimize process design, engineering of new car models, and communication



develop predictive analytics for an early-warning tool that flags when components will be late



build a framework for the flagship car's production— from design to engineering to manufacturing



provide a live tracking tool during the car- development phase to monitor the progress of “right the first time” parts



Building a design-driven culture

Analyzing a new type of car model



\$19m

saved per new car
development program

11%

reduction in design
and engineering costs

10%

reduction in
time to market

“The team’s analysis
provided insights
that we would have
otherwise not been
able to find.”

Design engineer, automotive company



Design

Design is the next step in your journey to transformation. Once we have a blueprint for your digital ambition and strategy, we move forward to build and test the solutions with customers.

Based on their feedback, we use design-led thinking to refine the design and test it again. This type of rapid iteration soon brings us to a solution you can adopt at scale, to completely reinvent your customer experience.

We also work with you to determine what IT architecture you need and to get the right talent, culture, and operating model in place to build a digital-ready organization. Ambitious implementation plans focus both on delivering your core offers quickly and on building capabilities over time.

De-risking Design

We sequence the work thoughtfully. You may be looking at dozens of related tasks and objectives: we'll help you order them to accelerate the transformation and value.

Often, quick wins help fund the rest of the transformation by generating new revenue, efficiencies, or productivity.

Short, focused sprints also help minimize change fatigue. Your teams stay focused and energized, able to celebrate regular milestones.



Collaboration session
San Francisco LUNAR studio




Prototyping workshop
McKinsey design studio



Concept sprint
Experience Studio





Now, carry on.
You've got this.

○
Discover

○
Design

●
Deliver

An interview

Satty Bhens

Partner, New York

Satty co-founded and leads Digital Labs—our global team of designers, data scientists, software specialists, agile engineers, and coaches.

“We’re partnering with over 150 leading tech partners to help clients quickly scale up.”



Digital Labs

“By the time we step back, your teams have all the skills and knowledge they need for the delivery of the transformation.”

Helping you navigate the new technology landscape

There’s an explosion of boutique, often niche, players around the world—and this is where we typically find the most exciting, cutting-edge expertise and technology.

Navigating this new landscape isn’t easy. And that’s where the McKinsey network becomes so powerful.

We’re partnering with over 150 leading tech partners to help clients quickly scale up and make the best use of our in-house solutions. We can help you select exactly the right ones for your transformation that can bring new ideas, innovation, and capabilities.

Building your capabilities

There’s no handover moment at the end of a project, where we simply deliver a final document and walk away.

Instead, we work closely with your team from the beginning, to create new products and services together, upskill or hire new talent, and gradually transfer ownership to the new team while providing onboarding and coaching.

We’ll also help you build the sort of culture that will attract the digital talent you’ll need. That often begins with creating a digital unit entirely staffed by McKinsey colleagues, which lets us start creating the solutions you need right away.

By the time we step back, your teams have all the skills and knowledge they need to carry the transformation forward.

It’s the capability, not a product

The Deliver phase can’t be seen as a fixed step with a beginning and end—instead, it’s about establishing an ongoing process of testing, development, and refinement at scale.

This process begins in the Design phase, but it’s here where we focus on delivering products and scaling operations, which can reveal new types of challenges. It’s here, in the thick of real-life delivery and use, that a transformation is truly forged.



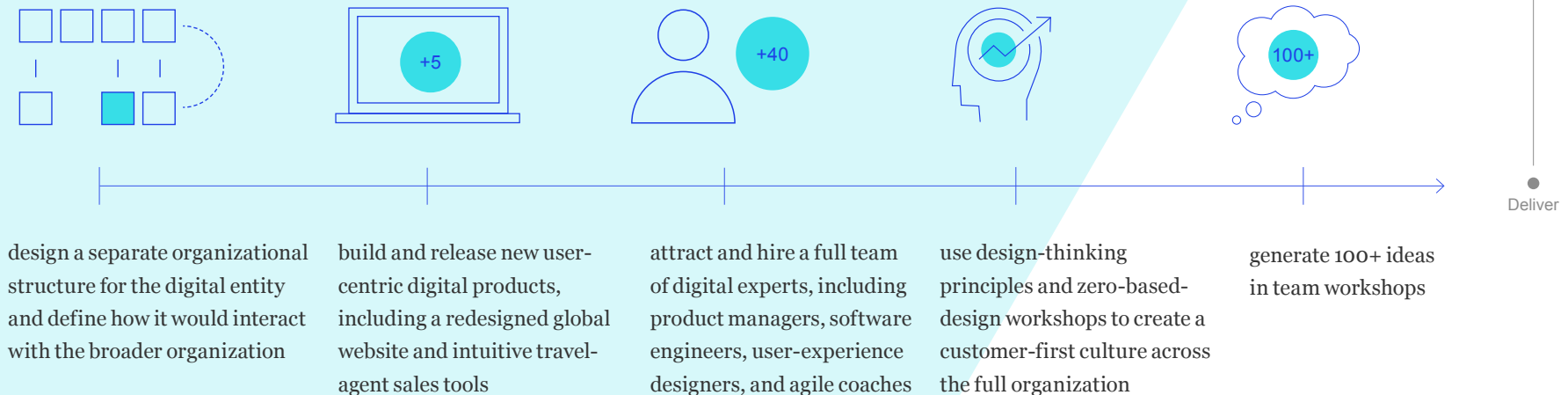
From empty warehouse to digital business

Our 150-year-old travel client was struggling to compete against the rise of digital native companies with its outdated business model of selling by phone and printed brochure.

With no digital team of its own, we established a digital unit in a vacant warehouse, initially staffed entirely by Digital McKinsey colleagues. Over time, we hired more than 40 new digital practitioners for the unit, and in less than a year, the client was ready to take full control on its own.

The journey

We built a new digital business from the ground up in nine months that allowed us to:



Full-scale transformation

From empty warehouse to digital business



“Developing skills we didn’t have in-house, and getting ahold of those skills on very short notice, was something we couldn’t have done without McKinsey.”

COO, global travel operator



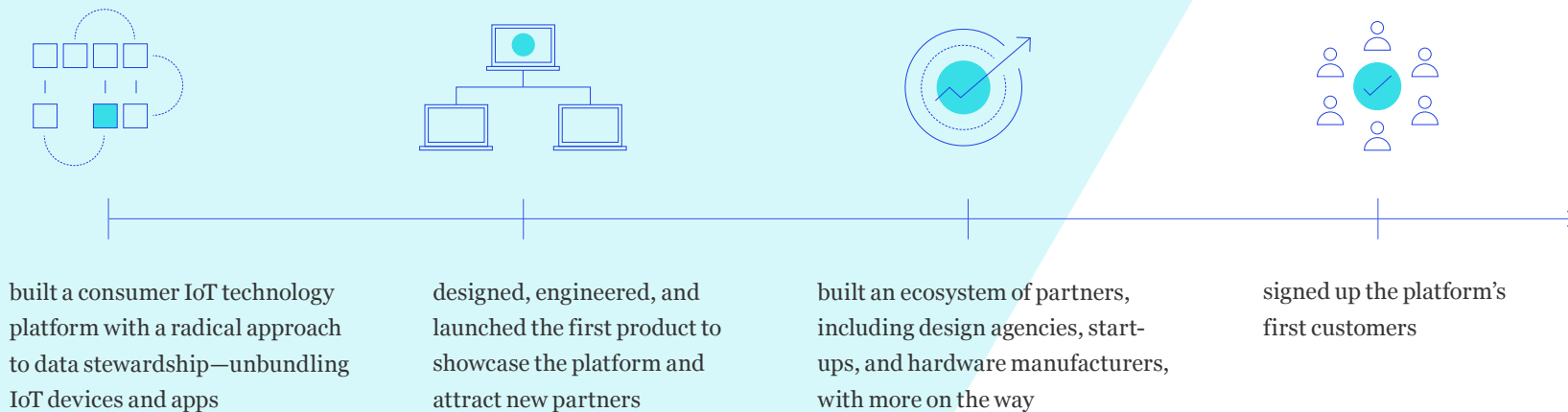
A new Internet of Things platform and business

A global telecom company asked us to build a true smart ecosystem—to transform the way consumers interact with the Internet of Things (IoT). Together, we built a new IoT business from the ground up, initially staffed with Digital McKinsey product teams and leadership.

As we hired top talent from well-known tech firms and start-ups, we gradually scaled down on our own team, transferring a fully functioning digital unit back to the client.

The journey

After nine months of working together, we:



A new Internet of Things platform and business



60

world-class
specialists hired
and onboarded

“McKinsey seamlessly
integrated into our teams,
constantly pushing
for the best results.”

Managing director of the
newly created business

8

agreements signed with
agencies, start-ups, and
manufacturers

1

fully operational
business ready to
capture the IoT
opportunity

○
Discover

○
Design

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Deliver

Deliver

The goal of the Deliver phase is to give you the capabilities, ways of working, and culture you need to move forward on your own.

We do this by creating a new digital business—either a new unit within your core business, or a standalone one. We build the business plan, temporarily operate the unit with our own people, and then transfer full operational management back to your organization.

We can call on more than 1,000 best-in-class developers, designers, architects, data scientists, and agile coaches. They come from top design schools, start-up incubators, tech companies, marketing agencies and more—joining to help solve some of the world's largest and more complex problems.

In addition to our focus on building clients' digital capabilities, we take an active role in convening forums that bring together client executives and industry thought leaders across different topic areas, sectors, and geographies.

De-risking Deliver

We help you manage your new digital unit by identifying the capabilities you already have internally and those that can be brought in from outside.

As your business becomes fully digital, we'll also help you minimize the risks of cybersecurity. We make sure security is integrated not only into your technology but also into your business processes and user behavior.



Sha Sha
Senior partner and co-leader
of Digital McKinsey in Asia



Virtual reality workshop
Berlin Experience studio



Digital client summit
São Paulo



Sophie Florian and
Greta Carlson, associates.
Berlin Experience Studio

It's this integration of strategy and execution that's so powerful: agile, hands-on delivery mixed with strategic depth, empathy for the business, and our understanding of how technology can deliver major new value—fast.

Our own reinvention



It's no longer if,
but when.

○
Discover

○
Design

●
Deliver

Contact

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