

Building the Digital Enterprise on Trusted Data

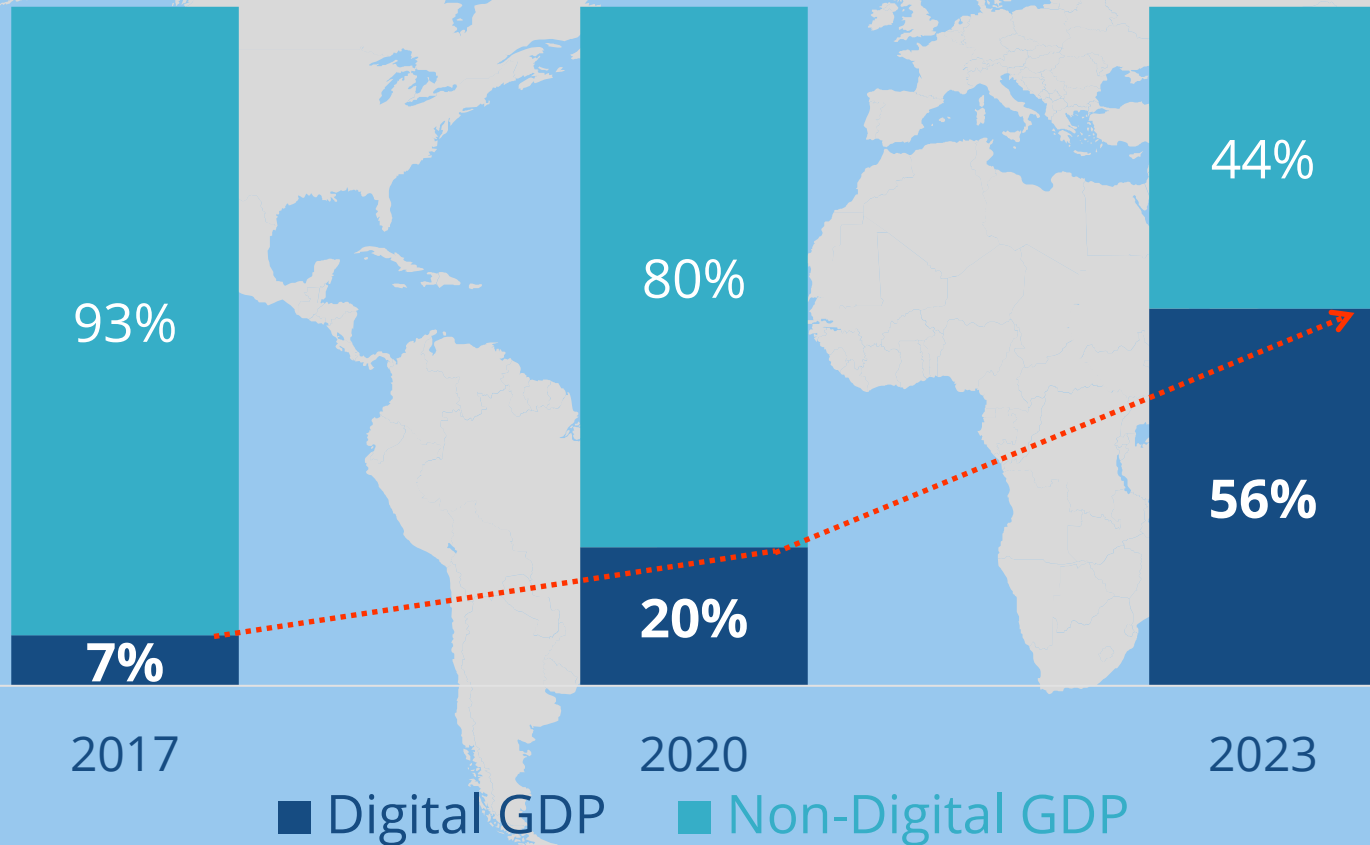
Philip Carnelley
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New beginnings, new futures



Advent of the Digital Economy

European Nominal GDP Derived from Digital Services and Products



95% of
CEOs are now
pursuing a Digital-
First Strategy

Kingfisher plc

“ 2 years ago, 1/3 of the business was through digital channels. Now digital makes up 2/3 of the business. And we're ramping up technology investments to keep up ”
– CIO of Kingfisher

Delivering on value and effectively managing near-term operational pressures



Ukraine

supporting humanitarian effort; no operations in Russia; no direct business exposure



Delivering on value

through attractive prices, discount banners and OEB (45% of sales)



Inflation

impact on margin continues to be well managed; Group gross margin +30bps in FY 21/22



Pricing

maintaining a strong price index is providing a significant competitive advantage



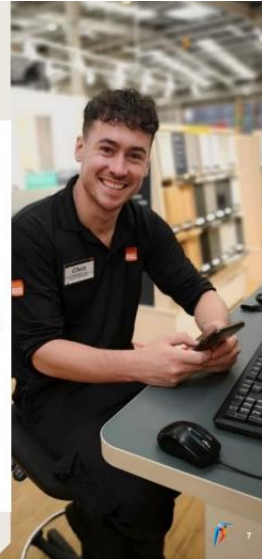
Supply & availability

proactively managing supply challenges; good availability ahead of H1 peak trading



Costs

cost reductions mitigating inflation impact; ability to rapidly adjust cost base



Accelerating investments for growth

1 | Taking e-commerce to the next level

- Faster fulfilment
- Scalable e-commerce marketplace

2 | Winning with our own exclusive brands

- Further OEB differentiation
- Sustainable home and energy efficiency

3 | Increasing trade penetration

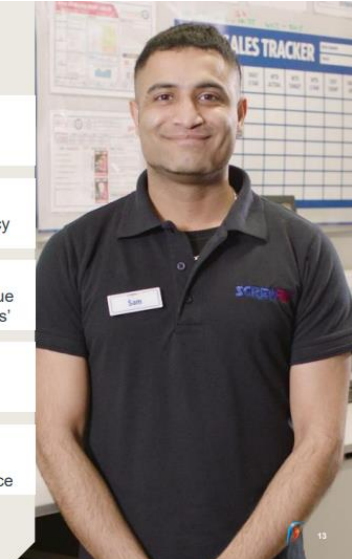
- Screwfix expansion in UK and France
- TradePoint – targeting >£1bn of revenue
- Boosting trade penetration in 'big boxes'

4 | Mobile-led and services innovations

- Enhanced web and mobile apps
- NeedHelp marketplace expansion
- Partnerships and in-store services

5 | Adapting our store footprint

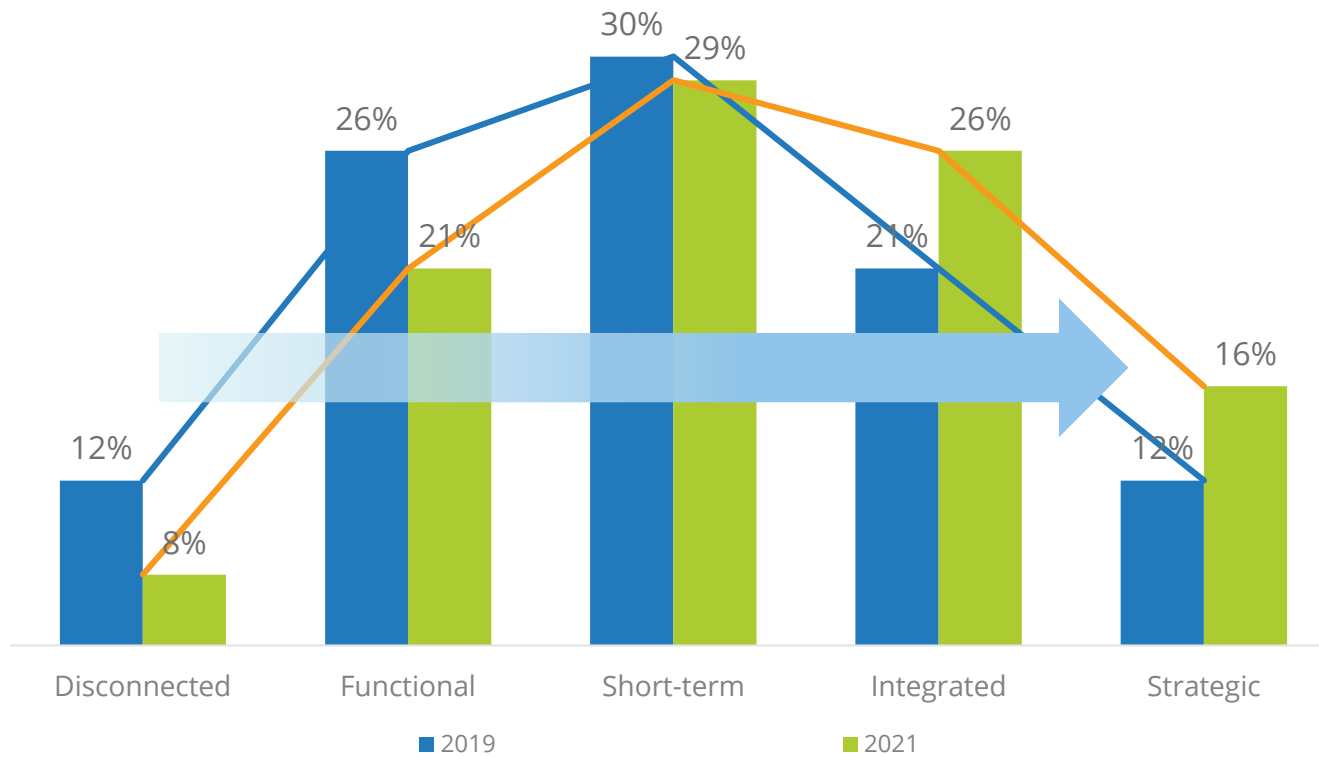
- More compact stores
- Store expansion in Poland
- Rightsizing at B&Q & Castorama France



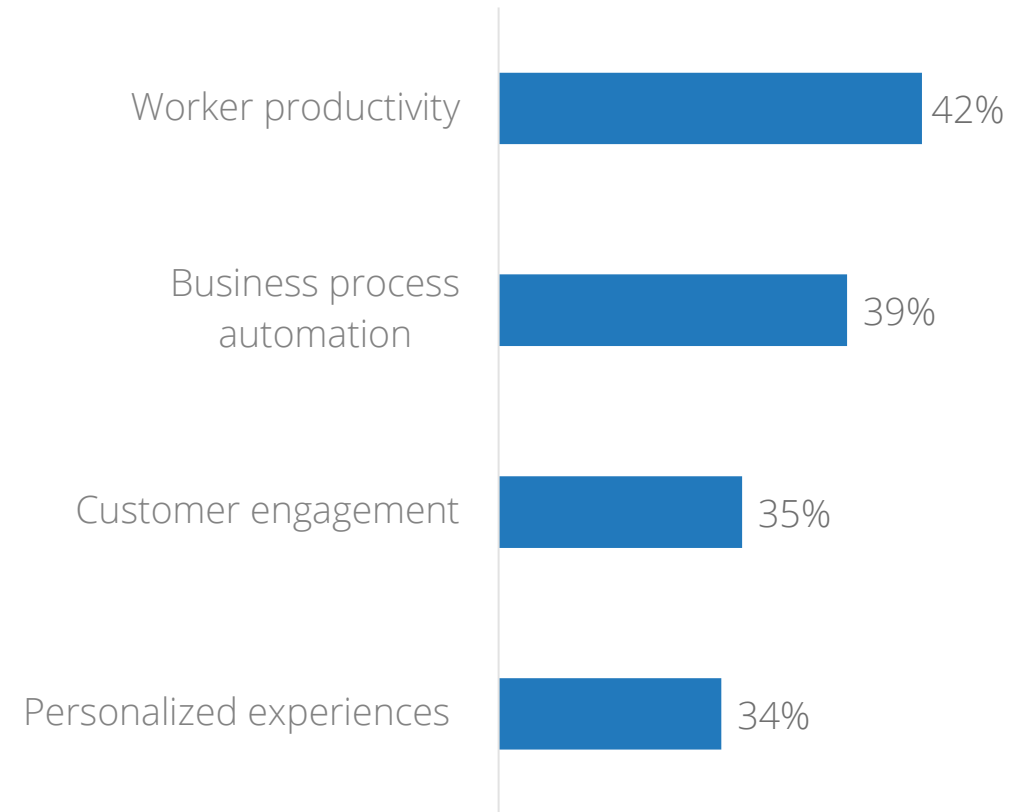
- Key tech initiatives: data-driven recommender systems, optimising logistics and supply chain automation; building out cloud capability

The Pandemic Accelerated European Enterprise Transformation

European Enterprise Digital Transformation Maturity, 2019 & 2021

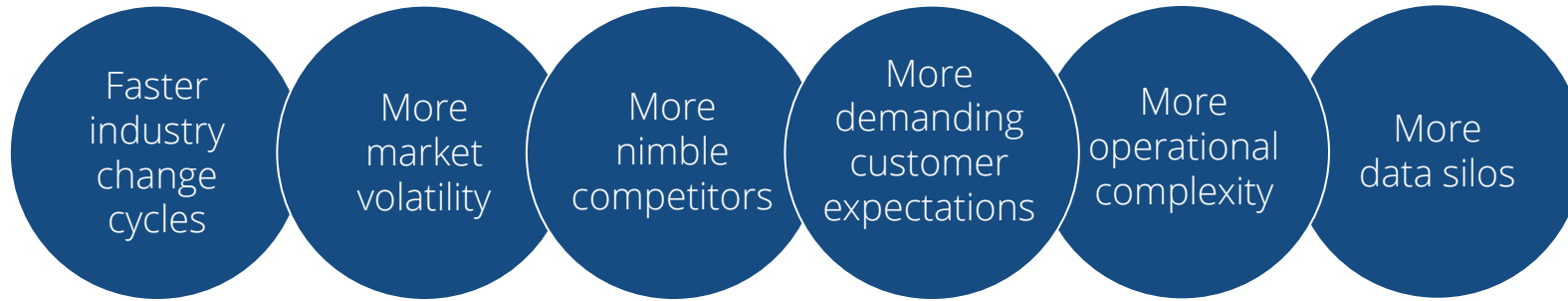


Companies Prioritizing Increased Use of Data to Improve Business Outcomes



Source: IDC European Industry Acceleration Survey, April 2021 (n = 1,535); IDC European Tech and Industry Pulse Survey, 2019–2020 (n = 2,793); IDC Future Enterprise Resilience, Europe — Wave 12: January 2022 (n = 410)

A New Era For Data & Analytics in the Enterprise



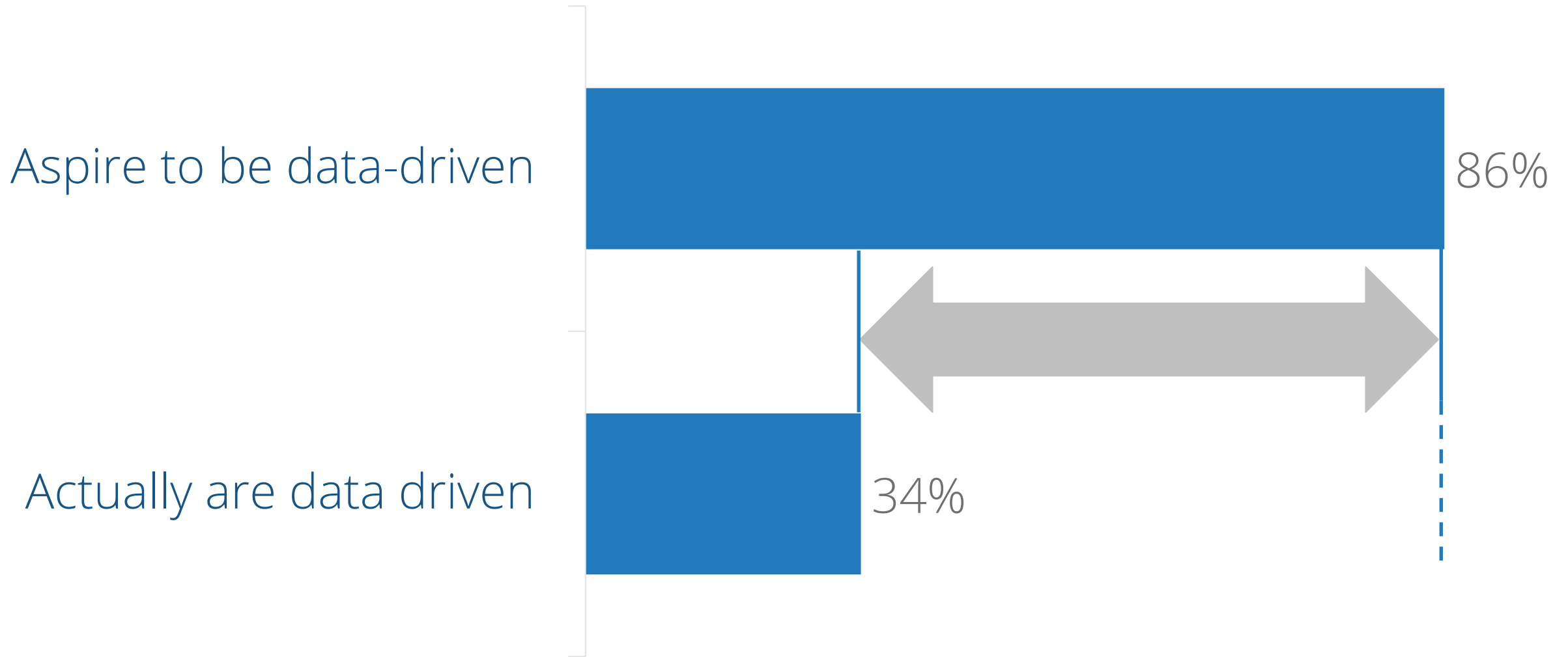
More data than ever — *internal and external*
(from devices, networks, infrastructure, platforms, mobile apps...)



Greater understanding of the value of data/analytics than ever
(from prescriptive to predictive; toward real-time)

- Customer – churn, cross/upsell, dynamic pricing, next-best action
- Supplier – planning, monitoring
- Operations – workforce, utilization, maintenance
- Innovation – product/service introduction, improvement
- Agility – forecasting, monitoring, sentiment analysis
- Resiliency – risk management, governance
- Sustainability – operational waste, emissions, suppliers

The Aspiration Gap

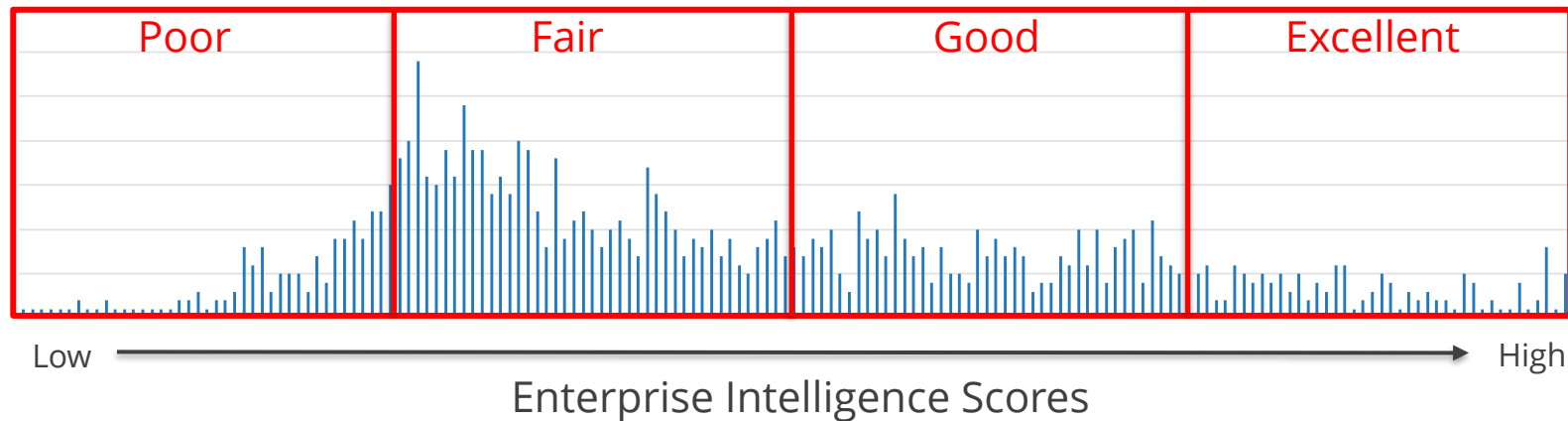


IDC's Enterprise Intelligence Index

IDC measured and segmented >1000 organizations' *enterprise intelligence* capability into four quartiles ranging from poor to excellent enterprise intelligence.

We can correlate that with **business outcomes** and **best practices**.

The Four Quartiles of Enterprise Intelligence



Ability to Synthesize Information

Capacity to Learn

Delivery of Insights at Scale

Data Culture

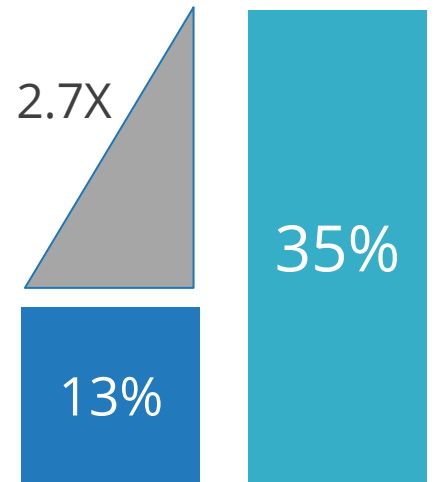
Better Enterprise Intelligence Leads to Business Advantage

Organizations with strong enterprise intelligence (EI) are **2.7** times more likely to increase revenue growth significantly and **3.6** times more likely to significantly improve time to market than those with poor EI.

Under 1/4 of European organizations are strong in EI today

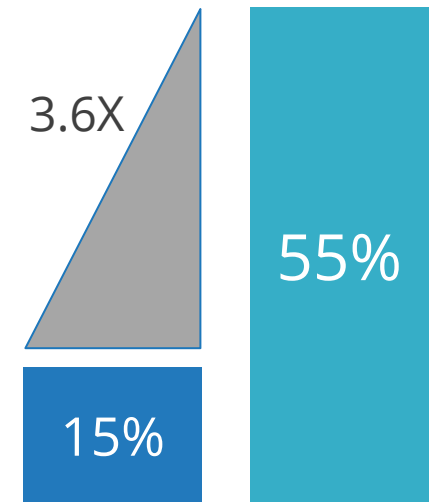


Organizations that significantly improved revenue growth



■ Poor EI ■ Excellent EI

Organizations that significantly improved time to market



■ Poor EI ■ Excellent EI

Overcoming the Aspiration Gap

Driven by outcomes, built on four capabilities

Goals and Outcomes



Data culture and literacy

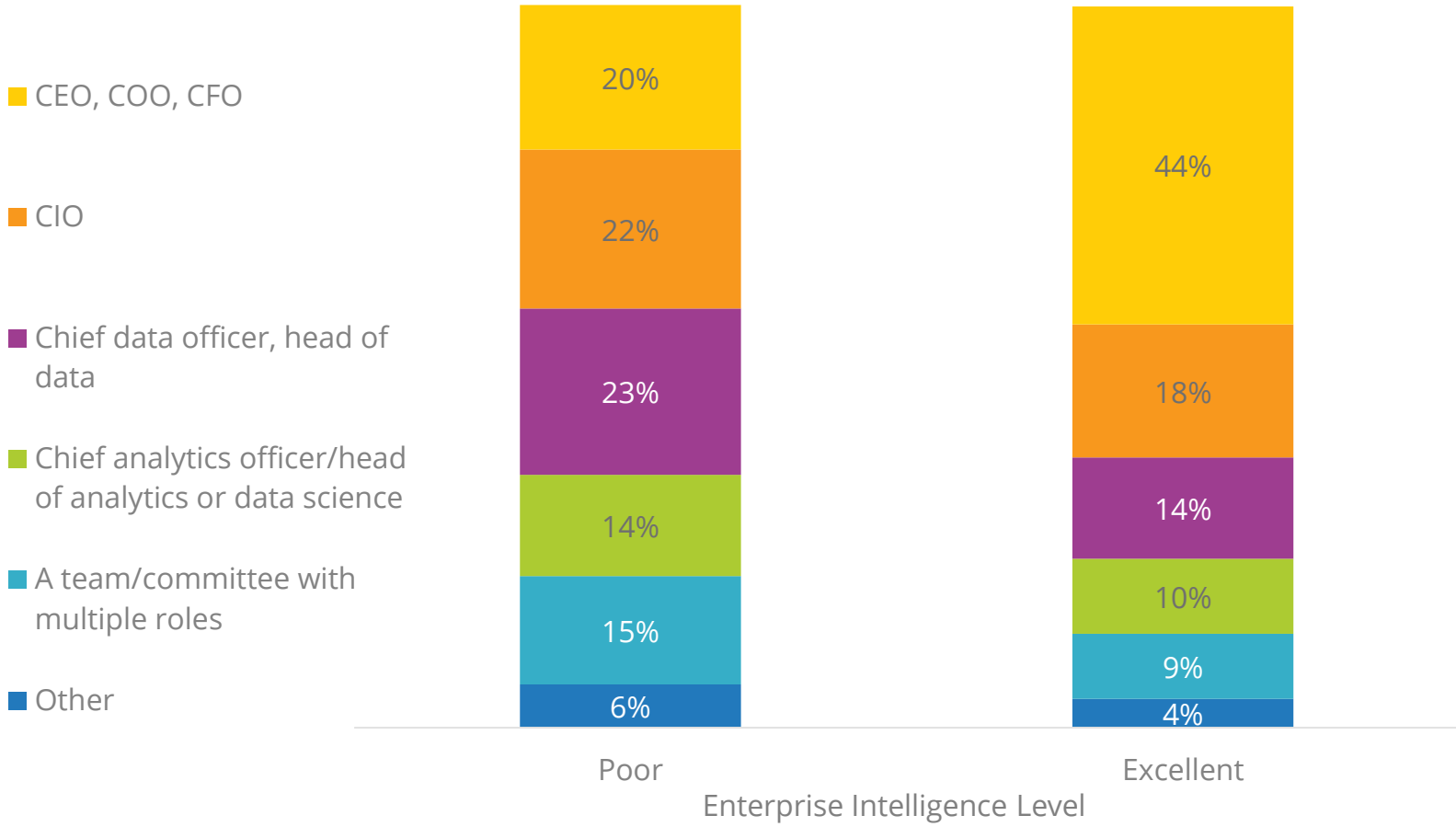
Tools and analytics

Pipelines

Platforms

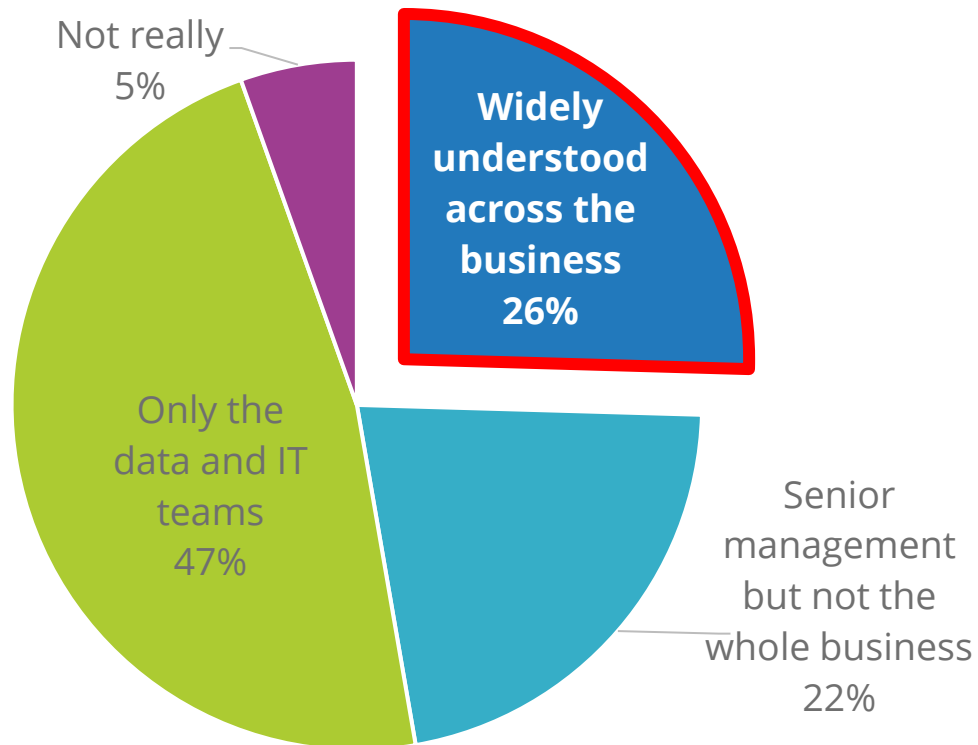
The Intelligent Organization Is Led From Higher Up

Who leads enterprise intelligence initiatives?

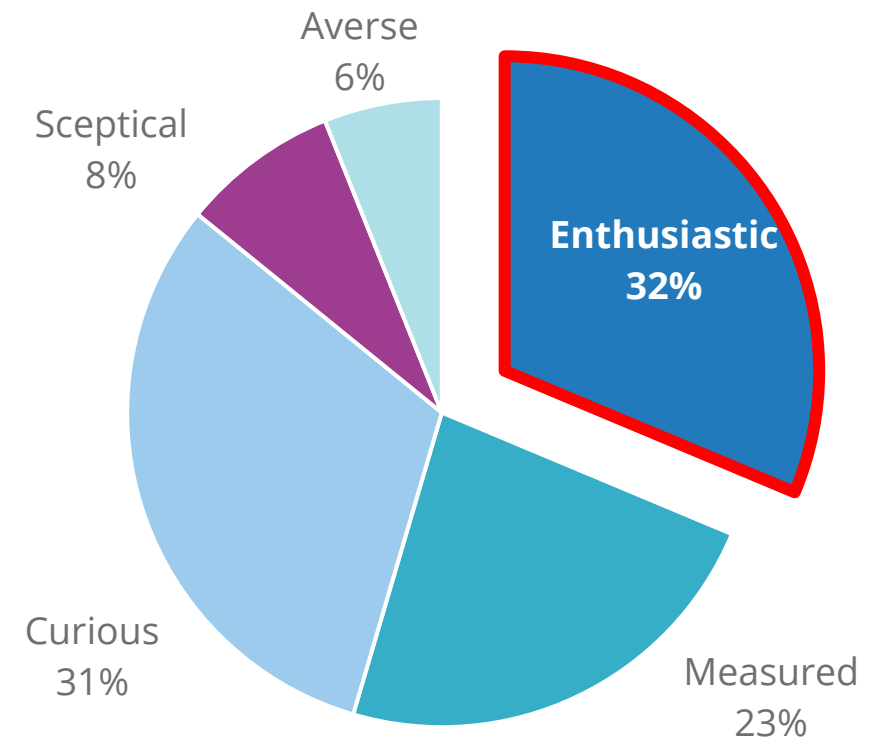


Enterprise Intelligence Should Be Enterprise-wide

Q. Does the business understand the opportunities from new data, analytics and AI approaches?

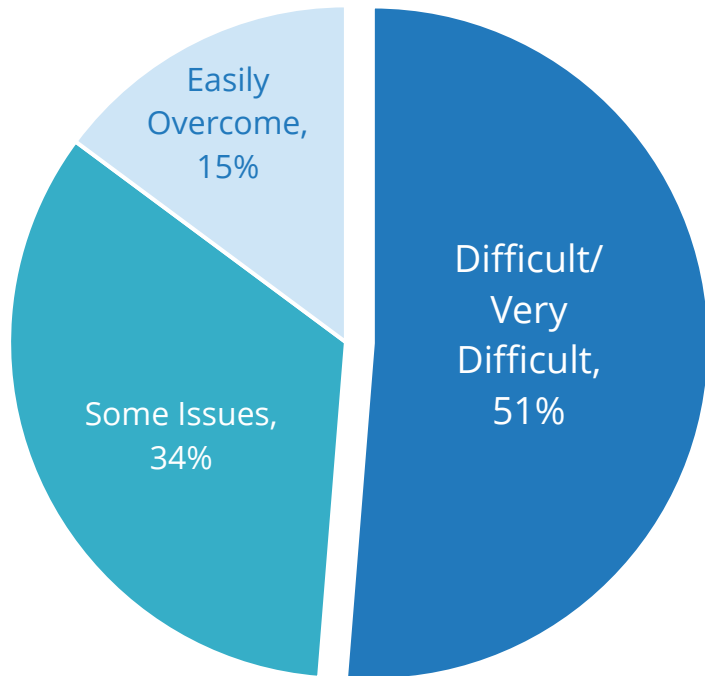


C Suite's attitude to enterprise intelligence

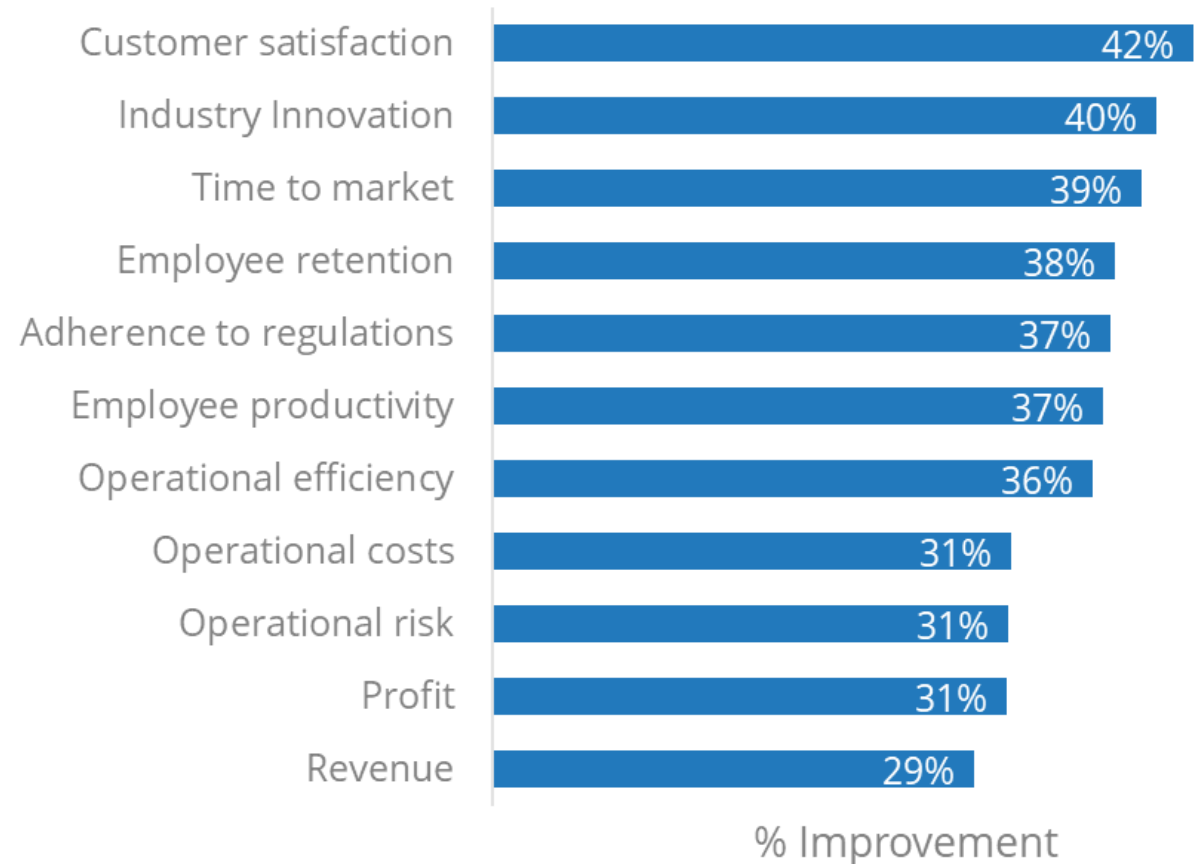


Strong EI is Founded on Data Trust and Quality

Q: Is trust in data a challenge in your organization?



Q. How much positive impact has the level of data quality and trust had on each of these metrics?

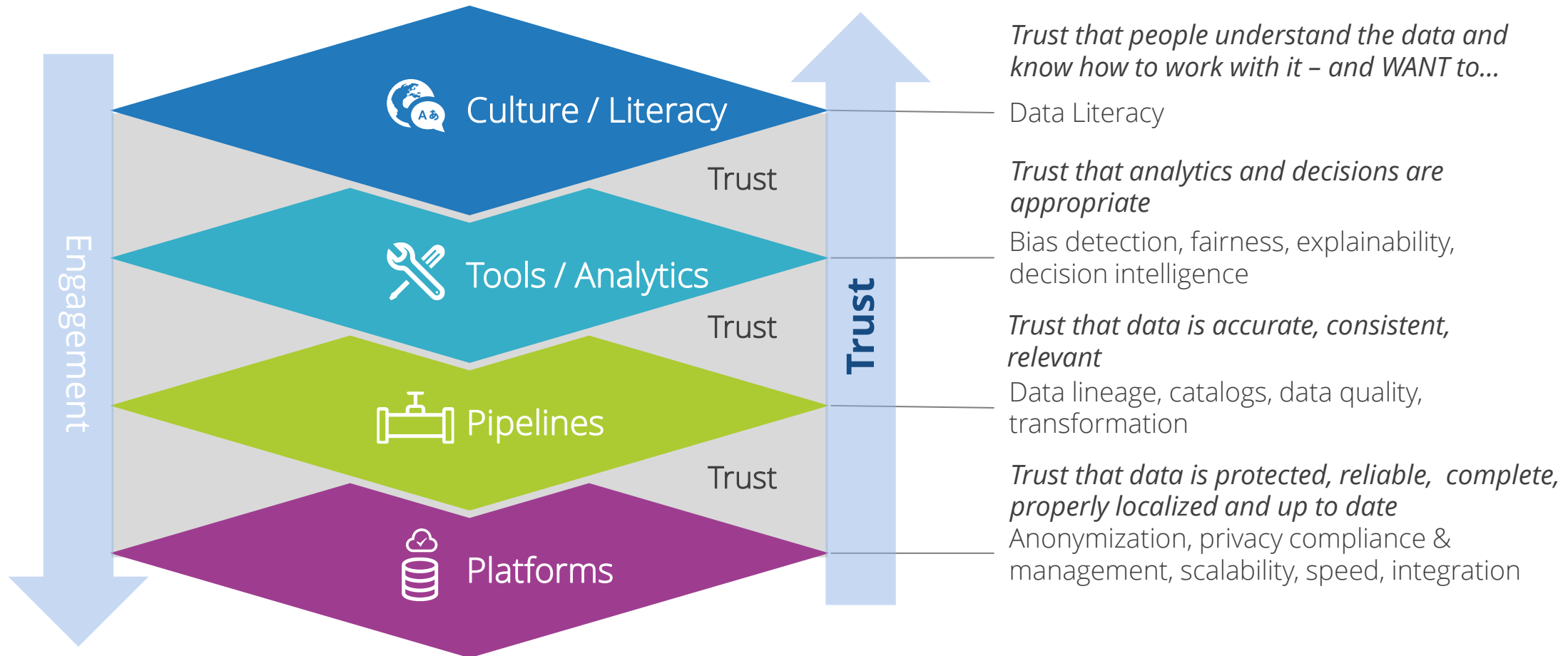


Trust in Data/Analytics Built Through the Layers of Capability



Goals and Outcomes

Trusted data and analytics leads to trust in the decisions/outcomes, increasing adoption and reducing business risk



How European Organizations Are Building Enterprise Intelligence



"Think like a marketer"

- "Sell" analytics to the business
- Heroes, sponsors, advocates across the business



"Constant dialogue at every level"



"Establish a data commonwealth"

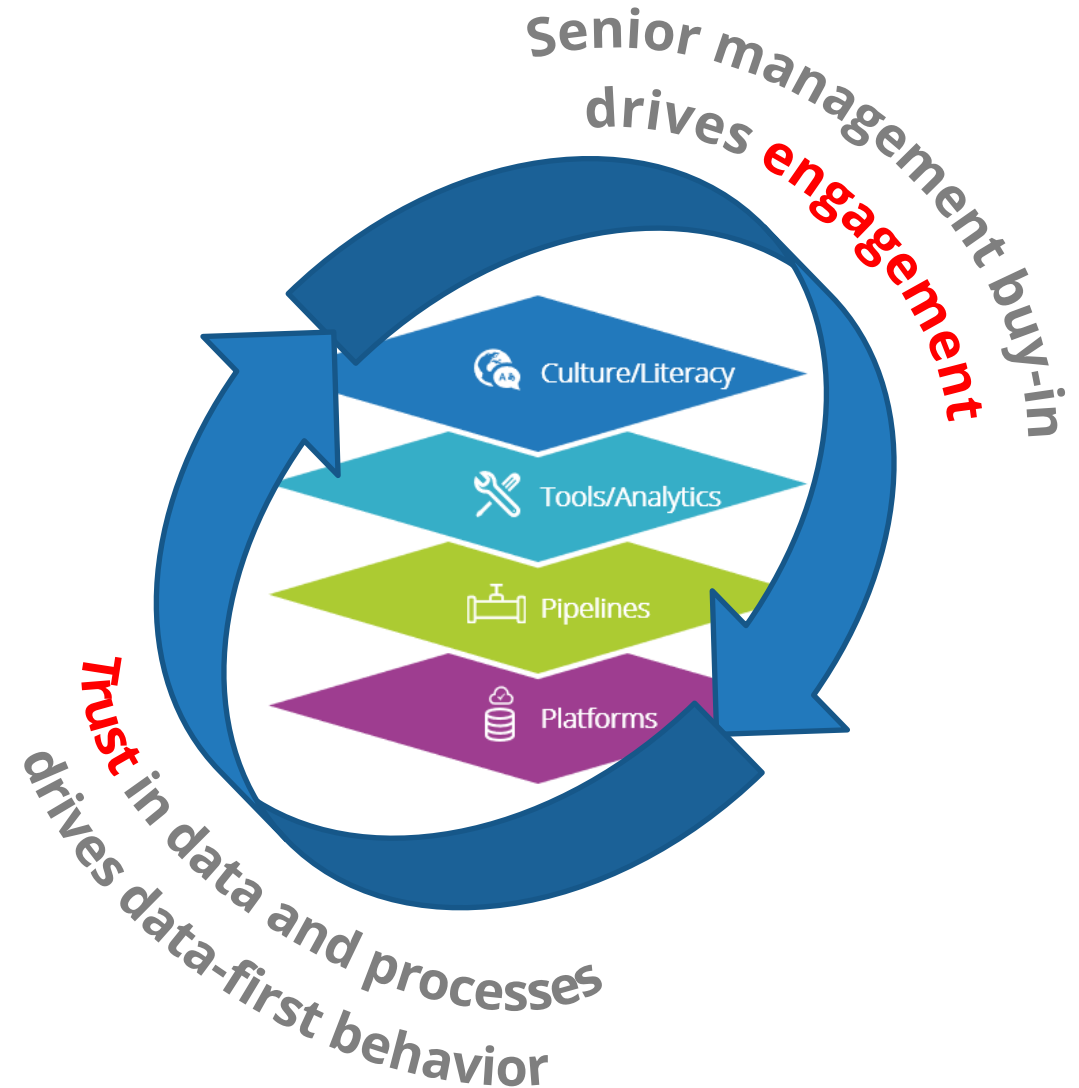
- LOB "owns" the data, monitors quality etc.
- Accessible across the business



"Leverage education and training"

Conclusions: Accelerating the Data Journey

- 1 Outcomes first**
Data needs to serve a purpose. What outcomes does the business need? Then work downward.
- 2 Drive engagement at all levels**
You cannot leave "fit" to chance. Stakeholders must work together to ensure alignment of purpose – from the top.
- 3 Foster trust**
Trustworthy data and insights must be more than an aspiration. Trust is a golden thread that runs through everything.





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