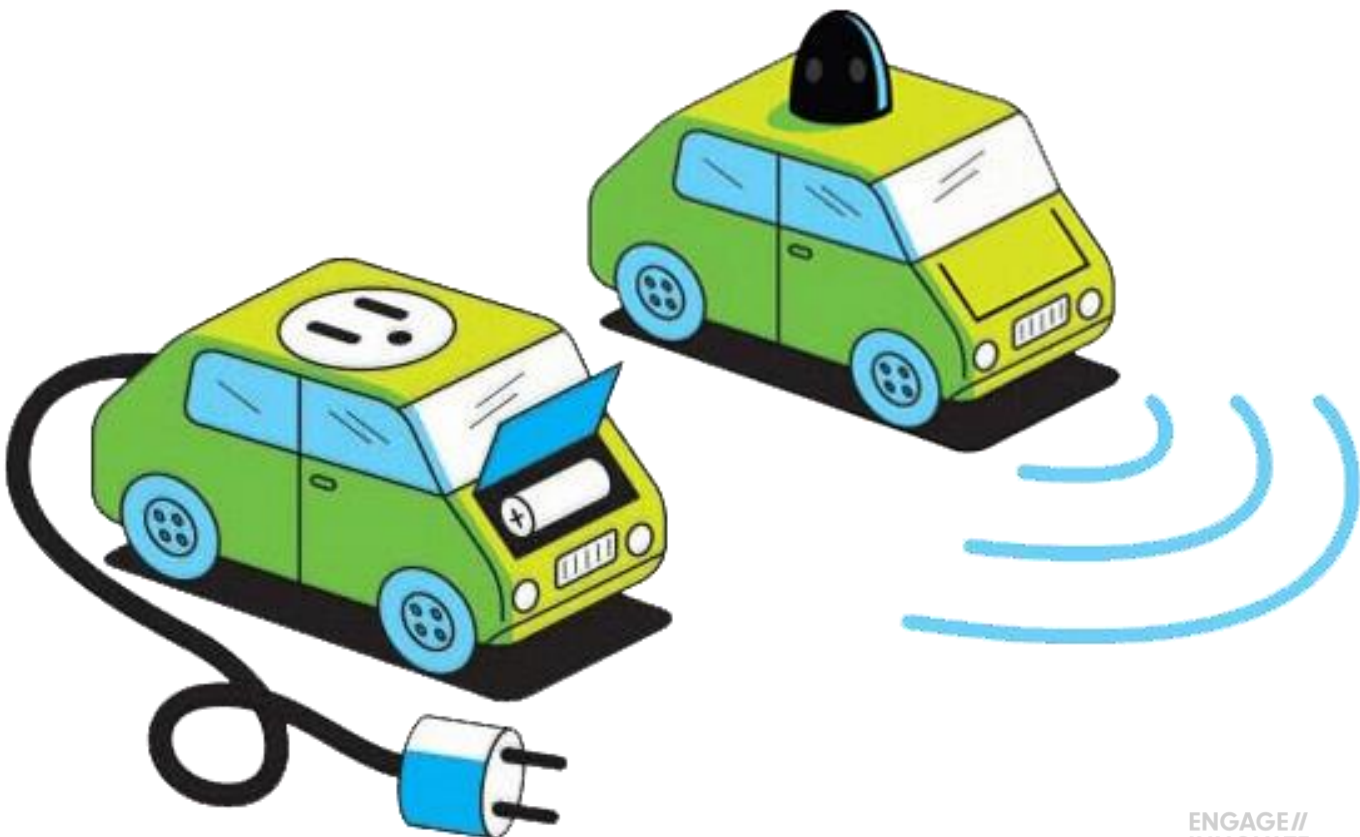


THE AGE OF MOBILITY TRANSFORMATION

FACT #1: DISRUPTIVE INDUSTRY SHIFTS

The mobility industry is undergoing disruptive change.

The new competitive environment is shaped by new non-traditional entrants shaping new value propositions and changing consumer behavior.



FACT #2: DIGITAL & BUSINESS MODEL COMBO

The industry is undergoing the combined effect of digitalization and disruptive business models.

These are the same industry forces that have shaped media, photography, movies, music, retail, banking and beyond. It is fast, lethal and highly disruptive.



FACT #3:
SOFTWARE IS
EATING THE
WORLD

Legacy companies will continue to cling on to old core models, but an increasing amount of share of value will go to new entrants - mostly driven by software, technology and business model innovation.

Expect Tesla, Intel, Cisco and Uber to be likely winners.



FACT #4: 50% GONE BY 2030

By 2030 the landscape will look significantly different, with possibly 50% of today's car brands having gone out of business, replaced by new brands.

Will Toyota, BMW, VW and Volvo survive?



FACT #5: CHALLENGING TRANSFORMATION AHEAD

Strategic transformation by legacy companies is fully possible, but demands a pace of change and an ability to shape new growth strategies not traditionally seen in the automotive industry.



TOOL #1: INDUSTRY SHIFTS MAP

How is our industry changing?

How well do we understand the shifts?

How well are we adapting and transforming in the face of these industry shifts?

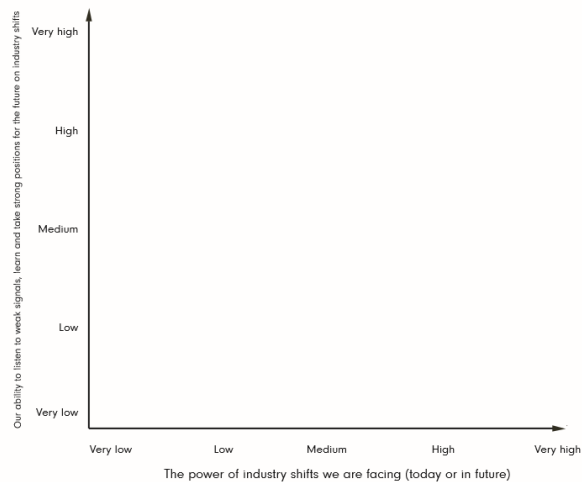
1 What are industry shifts?

Industry shifts are deep, structural changes to an industry, industry norms or how an industry operates. Often, these take place over 10+ years before they fully materialize. By industry leaders and experts, these shifts are rarely taken seriously as they are “not how things are done in our industry”. Industry shifts frequently represent significant disruption to incumbents. Often, they are only really understood in retrospect. Examples include the internet in the media industry, digital and social in the photo industry, low-cost airlines, distributed energy paradigms, Uber in transportation, clean energy and electric cars in oil & gas. Future-thinking, innovative firms can identify weak signals, invest to learn and develop new business models on major industry shifts.

2 List top 3-5 industry shifts your industry is facing or expect to be facing in the future

- 1.
- 2.
- 3.
- 4.
- 5.

3 Place your 3-5 industry shifts into the Industry Shifts Map below.



Industry Shifts Map

© ⓘ ⓘ Industry Shifts Map developed by Engage // Innovate. Download Yours at www.strategytools.io

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'NNO'VATE

HOW TO USE

The industry shifts map helps you and your team map out and understand how your industry is changing.

Put the Map on the wall, start by sketching out the top 5-10 changes you see. Next, map them into “Power of shift vs. Our adaptability”.

Download high quality printable version at www.strategytools.io

TOOL #2: THREE LEVELS OF BUSINESS MODELS

The key to adaptability is moving from one to many business models. Companies that handle disruptive threats are able to develop a portfolio of many business models.

The Three Levels of Business Models provides a strategic framework for working with business model innovation.

Swing for the fences

% of your revenues:
Truly *ambitious, mind-blowing, amazing*,
new business ideas can be found here. With
a very high risk/reward profile, 7 or even 9
out of 10 of these will fail. But the ones who
make it will make up for the failed ones.
Often, these projects require significant work
to pitch to clients and partners, who often
don't get it the first few times. But once
successful, these will *push industry innova-*
tion and attract attention for outside the
current client and partner base.
Genuine knowledge workers *dream* of
working here.

Consulting

% of your revenues:
More *challenging and interesting* projects
can be found here. These carry somewhat
higher risk, but also higher income streams.
There's always a degree of uncertainty on
behalf of the consultants if and how this
work is possible. These projects require some
creative thinking to solve.

Milk & Bread

% of your revenues:
Is the steady, long-term, low-risk cash
flow. Pays the rent and salaries. We can
budget these income streams well in
advance with a high degree of certainty.
Often, this is repetitive, low-innovation
work. For knowledge workers, this can, over
time, sometimes become boring.

Three Levels of Business Models



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Map out your future
revenue streams

HOW TO USE

Three Levels of Business Models gives a portfolio view of your old, new and future business models.

Using the Business Model Canvas, your team can sketch out the models you currently have in place, then move on to designing and testing entirely new models for creating and capturing value.

We recommend the portfolio to contain a mix of “milk & bread”, “consulting” and “swing for the fences” business models.

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TOOL #3: TRANSFORMATION TEST

Software driven firms are frequently faster, more agile and more aggressive at driving innovation on a global scale.

As every industry is becoming increasingly digitized and every company more of a software company, established companies need to accelerate their transformation.

The goal of the Transformation Test is to measure and manage your company's capacity for strategic transformation.

TRANSFORMATION TEST <small>IMPLEMENTING A TRANSFORMATION PROGRAM</small>	
<small>The Transformation Test is a tool to help implement a transformation program within your company. The Goal of the Transformation Test is to find a way to measure and manage the company's innovation and transformation capacity. The Transformation Test combines multiple innovation, strategy, business model and transformation perspectives into a single tool and a single metric. The Transformation Test should help the teams and management have strategic conversations and measure progress on the topics of innovation, business models and transformation.</small>	
Transformation Test	Scale (0-12345) — 5 = highest
1. Innovation Structure Does the company have a good structure for innovation in place? Is there an innovation strategy? Director for new business development and new ventures? Is there an innovation team? Does the team have the tools, training and internal position to make innovation happen? Does the company actively engage with outside sources and partners for Is someone (other than the CEO) responsible for making innovation happen? Tool: Innovation Proficiency Reference: The End Of Competitive Advantage (McGrath)	(0 - 1 - 2 - 3 - 4 - 5)
2. Innovation Portfolio What is the strength of the current innovation portfolio today? Does the company have a strategy and tools in place to manage and measure an innovation portfolio? Does the company have a portfolio of "Core innovations", "Adjacent innovations" and "Radical innovations". Does the company actively invest in "radical innovations"? Tool: Strategic Innovation Canvas, Innovation Pyramid Reference: Managing Your Innovation Portfolio, Three Horizons	(0 - 1 - 2 - 3 - 4 - 5)

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HOW TO USE

The Transformation Test combines multiple innovation, strategy, business model and transformation perspectives into a single tool and a single metric. This five-item survey has the potential to be a key strategic tool for your transformation journey.

The Transformation Test can be done in small groups on paper, or run as company-wide online surveys, with data analysis and action planning.

Contact Engage // Innovate for more details.

Download high quality printable version at www.strategytools.io

TOOL #4: TRANSFORMATION ARCHITECTURE

"It's not about ideas". Our good friend and recognized strategy professor, Rita McGrath, reminds executives that corporate innovation has little to do with "ideas", but is rather about "the problem is the system, processes, methods, tools and resource allocation.

It's the HOW of the organization". We call this, "building the Transformation Architecture".

This requires developing the right mandate, securing various funding mechanisms and building the right capacity, skills and teams. Easy? Not for most company sucked into daily operations.

Designing a transformation

Company name: _____

1 What does "Market-creating innovations" mean to our company?

2

Money	Please use 1-5 scale, 5 being the highest
#1 We have easy access to minor investment funds for new ideas and new ventures	1 2 3 4 5
#2 As a company, we are truly great at making explorative investments	1 2 3 4 5
Structure	
#3 We have a unit (person, team, department) responsible for entirely new business development, outside our current core business	1 2 3 4 5
#4 We have a corporate structure for early ventures, strategy experiments, growth, spin-ins, spin-outs for new businesses	1 2 3 4 5
Mandate	
#5 We have an explicit growth ambition from the Board of Directors and Top Management	1 2 3 4 5
#6 We have a license to think big, dream big and take calculated strategic risks	1 2 3 4 5
SUM	

3



Transformation architecture



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Strategy & Innovation
Consulting Company

HOW TO USE

Transformation architecture is built for teams.

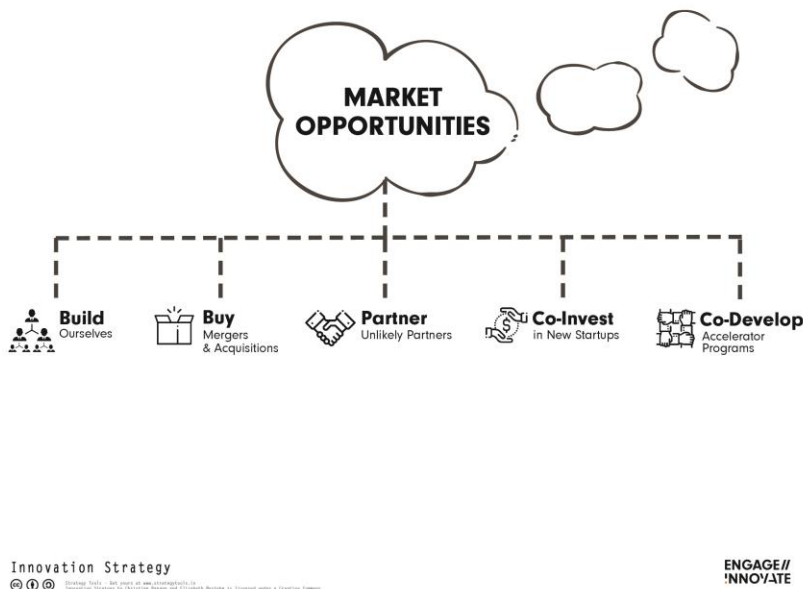
Print it in A3 or larger sizes. Stick it to the wall. Work through the questions, the as-is mapping and develop an internal action plan for improving mandate, structure and money for driving your strategic transformation.

Download high quality printable version at www.strategytools.io

TOOL #5: INNOVATION STRATEGY

When we ask executive teams, “can your employees explain your company’s innovation strategy?”, we frequently get blank stares. This does not have to be the case. We deeply believe any company can develop a future-oriented innovation strategy.

Learning from one of our clients and best-in-class innovator, Cisco, any company can develop and implement a company-wide innovation strategy, built around market opportunities and the “Build, Buy, Partner, Co-Invest and Co-Develop” framework.



HOW TO USE

Developing and implementing a company-wide innovation strategy is a large undertaking. A great starting point is learning to innovate around “emerging market opportunities”. Next, understand the “Build, Buy, Partner, Co-invest and Co-Develop” framework.

We recommend printing large-scale posters and stick them to wall. Use one poster per market opportunity. A group of 15-30 people should be able to work through 20-30 large-scale posters during a single workshop session. Each market opportunity should be pursued with a mix of “Build, Buy, Partner, Co-Invest and Co-Develop”.

Use Statts and clear markers, assign budgets and responsibilities to execute fast.

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Welcome to an era of
strategic transformation.

It's time to build an entirely
new innovation strategy.

Talk to us:

christian@engage-innovate.com