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Accelerate digital transformation - reduce your complexity

Novicell

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1. Introduction

In the face of a rapidly changing digital world, you are expected to meet new and emerging customer needs, but are your past achievements becoming a liability, eroding your competitiveness and profitability? Is your current foundation robust enough to not just survive but thrive in a fast-paced and ever-changing business environment? Or are you hindered by analogue ways of working?

Digitalization is becoming increasingly important across industries, transforming interactions between businesses and consumers, and influencing purchasing decisions. This shift intensifies the pressure on companies to adapt and thrive in a digital environment to maintain competitiveness. According to international surveys, 80% plan to accelerate their digital transformation. Despite acknowledging the need to change many still fail to harvest the rewards of their efforts:

- 84% of digital transformation initiatives fail
- 70% of digital transformations do not meet their objectives
- 75% of digital transformation initiatives resulted in a decrease in value and underwhelming performance

The reality of many companies is that they fail. targets and benefits are not met, digitalization projects experience cost- and schedule overruns.

The root cause is the same across companies and industries and the main driver of this is complexity: You started digital transformation by digitalizing your analogue business and processes – not by defining the digital business you want to be tomorrow.

Your company's success is measured by its ability to generate value for its customers, owners, and employees. With each passing year, leaders are expected to achieve better results. To stay competitive or gain an advantage, you must continually implement changes and adjust strategies to align with customer needs. In most cases, this leads to increased complexity in business models, product offerings, or technology stacks. If not managed properly, this complexity can lead to higher costs, diminished profitability, and reduced agility.

This whitepaper guides CEOs, CTOs, CIOs, and CMOs in understanding the causes and effects of complexity when going digital. It gives you tools to strike an optimal balance of complexity ("the complexity sweet spot") that delivers innovation, outstanding customer experiences and enhances profitability in a dynamic digital landscape.

Keep these facts in mind when reading on:

- 90% of B2B buyers would choose a competitor if the digital channel couldn't keep up with their expectations
- 67% of the B2B buyer journey takes place on digital channels
- In 2014, Google research found that the average journey had nine customer-company interactions. Now companies provide anywhere from 20 to 500, depending on the range.
- 71% of consumers expect companies to deliver personalized interactions and 76% of those get frustrated when this doesn't happen
- 75% of online customers expect help within 5 minutes
- The average lifespan of companies in the S&P 500 is projected to decline by 50% in just 7 years, dropping from an average of 21 years in 2020 to 12 years by 2027. This significant decrease is attributed to the rise of digital-native companies, new market entrants, and disruptive innovations.

2. **About Novicell**

Novicell is an international digital consultancy with +20 years of experience and a strong team of 330 e-commerce specialists, digital advisors, developers, IT architects, designers, and digital marketing specialists in Denmark, the Netherlands, Spain, Norway, Sweden, and the UK. Novicell has an extensive client portfolio of mid-size & enterprise organisations.

Novicell has worked as a consultancy partner, trusted advisor, or integration partner on complexity reduction for several Danish and international brands. Here is a selection of them:

Flügger COLORS THAT MATTER Aimpoint Carlsberg

3. Is complexity outgrowing your profitability?

These expectations are driven by the evolution of technology that enables customers to research, compare, use, review, and purchase all within seconds. Digital native organizations such as Tesla, Alibaba, Netflix, and Amazon constantly roll out new models and services daily, that raise the competitive bar and customer expectations across all industries.

Winners in this digital melting pot are companies that rethink their business model and digital approach. To become truly responsive to change and meet current and emergent customer requirements companies must focus on complexity that delivers a competitive edge, not operational overhead, legacy ways of doing business, or outdated complex processes. The usual suspects driving complexity are a fragmented and outdated technology landscape, siloed data, and too much variability of business processes (e.g., no unified way of working with prices, and customers), which impedes agility, scalability, and performance.

3.1 Increased complexity kills profitability

In a study by the Global Simplicity Index, a correlation is found between reduced complexity and increased profitability.

So, the key question you need to ask yourself: Is complexity outgrowing your profitability?

Because if it is, then you are looking into some tough years. The research reveals that on average companies are losing 10,2% of annual profits due to value-destructive complexity and in some cases up to 40% of a company's profit. This is also supported by other case studies, where it was discovered that unhealthy complexity overhead accounted for 20% of the company's total cost base.

Typical pain points that we see from companies with too much unnecessary complexity:

- You overestimate your business case

- Simple features take months to launch instead of days.
- You are spending most of your IT budget on just delivering on status quo experience.
- You spend more resources testing your solutions than you are building them.
- Your digital projects consistently exceed budgets and timelines.

A conclusion before might be that complexity is a terrible thing – but not necessarily. All companies need a certain degree of complexity to create value, sustain competitive advantages, and serve customers. Some examples of good complexity can usually be translated into profits, for example, expansion to new markets, new products, and new systems. However, if not managed, complexity can quickly erode customer value and reduce profitability.

This contrast brings the mind to E.F. Schumacher's quote:

"Any intelligent fool can make things bigger and more complex… it takes a touch of genius – and a lot of courage to move in the opposite direction".

3.2 **Kill your darlings, strategically**

It is clear, that while companies often find it easier to make decisions about new strategic initiatives, they frequently overlook the benefits of strategically opting out. This includes actions like reducing the number of product categories or withdrawing from unprofitable markets. Such choices can significantly reduce complexity while providing benefits such as increased responsiveness to change, flexibility, and profitability.

To understand the duality of complexity and that it can both be positive and negative we use Illustration No. 1, The complexity curve, to describe how to strike the right balance between complexity as a driver of value/profit and how it easily can diminish value/profitability.

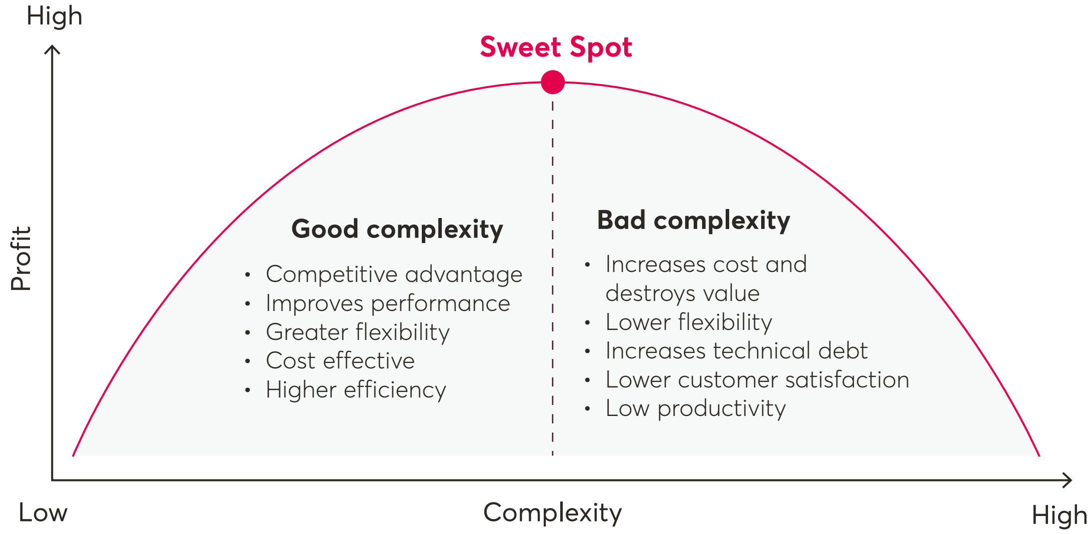

Illustration no. 1: The complexity curve *(Inspired by Simon Collins and Melvin Jay[1])*

The model suggests that complexity is beneficial if it drives incremental value and profitability. However, problems arise when you surpass the "complexity sweet spot," where the marginal cost of additional complexity exceeds its marginal profit. Beyond this point, further complexity fails to add value to the company or its customers, instead draining resources, escalating costs, and reducing flexibility.

Excessive complexity is undoubtedly a detrimental and value-destroying factor in many companies, and most can realize significant benefits by eliminating unnecessary complexity. However, viewing complexity solely as a negative aspect could lead to missed opportunities. Therefore, effectively managing complexity within your organization is crucial, as it can open new business opportunities, create competitive advantages, enhance efficiency, and foster value creation.

To evaluate if companies have successfully reached the optimal balance, we often reference a quote by Antoine De Saint-Exupery:

"Perfection is achieved, not when there is nothing more to add, but when there is nothing more to take away."

This quote implies that companies should assess whether their processes, features, or functionalities contribute more value than complexity. If the complexity outweighs the value, then it is advisable to eliminate such complexities.

Here are some examples of good and bad complexity:

- In 2004 **LEGO** had a deficit of over 1bDKK despite having a unique product and brand, the complexity of LEGO had skyrocketed for many years from the introduction of clothing, lifestyle products, theme parks, digital products, and brand stores. Therefore, under the leadership of Jørgen Vig Knudstorp it was decided to reduce the complexity of the product portfolio by removing non-profitable product lines, which led to the removal of four product lines and due to the simplification, it led to an increase in profitability, while reducing cost.
- **Tesla** drives profitability from simplification first by, streamlining car production with a focus on minimizing steps such as assembly reducing components complexity, and reusing these across cars, as well as simplifying the customer experience by simplifying the buying process with a limited range of choices in contract to competitors, who often overwhelm customers with models and customization options. Add this up; you get higher satisfaction, loyalty, and drive higher margins.
- The Danish tele company, **TDC**, is an example of a company experiencing bad complexity, which is clear in this quote by TDC Director, Lars Ole Dybdal: "We were able to ascertain that several business units had widely different processes for performing the same operation, such as transferring phone numbers from TDC to other companies. Our aim was to define separate flows in something that appears to be the same to the individual customer." With this move, customer experience was improved, IT complexity was reduced, and it became simpler for employees to handle. Large retailers often overcomplicate their discount and loyalty programs, opting for a custom blend of points, vouchers, campaigns, affiliate, kickbacks, tiers, and promotions. This complexity, when implemented into various customer touchpoints — from e-commerce and point-of-sale systems to operational tools like ERP and CRM — hinders agility and slows down innovation. Introducing new concepts or features becomes rigid and time-consuming, as it requires adjustments across multiple systems. In our experience, simpler discount models often yield equal or better results. These models leverage real-time and in-context nudging to engage customers at critical moments, such as during checkout or when they are reviewing their baskets.

To put this in a digital context, we observe that numerous companies attempt to digitize an analog business model, which often results in increased costs, technical debt, and longer time-to-market. Here are a few examples of how you can simplify:

- **Simplify customer-specific pricing with pricing tiers.** Instead of calculating customer-specific prices for each product displayed we recommend segmenting customers into tiers, thus reducing price complexity across the tech ecosystem and business.
- **Drive trade in basket not in yearly negotiations:** Switch from long and cumbersome price agreements to real-time discounts in the sales channel based on actual order volume and behavior to drive repeat purchases and increase order size.
- **Make market or segment-specific assortments, and not customer-specific assortments.** Wherever possible reduce product offering/assortment to markets and segments. The assortment overlap is typically above 90% and customer specificity does usually not add substantial value compared to the effort and complexity.
- **Automate and standardize quoting and proposals:** Switch from manually created and highly customized quotes towards using automated quoting based on standard systems like e-commerce and CRM and include real-time tracking of engagements to increase closing rate.
- **Adapt to standard platforms instead of insisting on being special.** Often, by slightly adjusting business requirements, you can fit in with standard tools. This approach reduces complexity and risk. As a result, you will speed up time-to-market and cut operating costs. It's preferable to launch quickly with a standard solution and gather valuable customer feedback, rather than arriving late with a heightened risk of getting it wrong and wasting money/resources on building invaluable functions.

It's essential for leaders to understand the implications of their business choices and assess whether these decisions add value and increase profitability, or if the resulting complexity outweighs the benefits to the business in the short or long term.

4. What drives complexity?

Now we know that complexity can both drive profitability and value for customers, while at some point it might also diminish value and profitability. But what is complexity? Let's have a closer look at what it is:

F(Volume, Variation, Mutual Influence)

- **Volume:** This is all the elements in your company's value chain such as Products, Services, Logistics, Technology, Sales models, Processes, Brands, Channels, and more.
- **Variation:** This is the number and degree of variations in processes, prices, promotions, fulfillment, products, and services, which can be derived from different customer needs, markets, mergers & acquisitions, technology changes, and other factors.
- **Mutual Influence:** Indicated the level of relationships and influence among the elements within the business model.

To put this in perspective we have already covered that companies today operate in an increasingly complex landscape, shaped by various external factors including economic shifts, technological advancements, evolving customer behavior, and competition. Internal dynamics, such as rapid growth, mergers and acquisitions, strategic ventures, and the urgency of market entry, contribute to adding further complexity. Often, these actions are undertaken with a sense of urgency, overlooking their long-term implications.

Your choices directly impact your business offerings, the flexibility of your operating models, and your business processes. This escalates complexity. If overlooked, complexity proliferates as a natural consequence of successful short-term initiatives. And when unchecked, complexity quickly becomes the single biggest barrier to growth.

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Let's first start by examining the relationship between volume and variability to understand how they together may drive complexity:

Volume	Examples of variation forces
Sales models: Models that the company sells/offers products or services (B2B, B2C, D2C)	Serving consumers instead of businesses requires two different processes. E.g. when a B2B manufacturer decides to pursue the D2C business model, complexity will typically change. From serving B2B clients with packs and pallets, consumers would typically be served individual product pieces across multiple channels.
Markets: in which products/services are sold	The company operates in different markets requiring distinct approaches regarding language, payment services, content strategy, pricing, promotions, and local regulatory requirements.
Systems/Technology: Number of supplementary IT applications/systems and overall architecture	Multiple platforms delivered supplementary capabilities, which created data silos and no single source of truth.
Brands/sub-brands: Number of brand sales channels that you offer customers	The company is offering multiple brands, while still selling similar products but targeting different segments, price models, and offerings.
Channels: Number of sales channels where your products are sold (e.g. Bricks & Mortar, E-Com, App, Marketplaces)	The business operates across channels such as in-store, mobile, e-commerce, associate tooling, social media, live shopping, marketplaces, call centers, and more and needs to connect engagement across channels to provide omni-channel experiences.

Products/Services: Size of product portfolio, type of products and based on engineering style (made-to-order, made-to-stock)	High product complexity: for instance, offering customer-specific products made to order requires logic around valid and invalid combinations, bill of material, pricing, and quality control, whereas selling from stock simply requires a stock count.
Logistics/Fulfillment: Number of different fulfillment and shipping options	Being able to fulfill and serve customers across channels: Multi-warehouse split orders, 3rd party logistics, click & collect, buy online pickup in-store, and dropship vendors and being able to handle split orders and returns across different touchpoints and fulfillment methods.
Sales Processes: Processes that are required to sell products such as products, pricing and promotion or configuration project sales and -quoting	Lack of global processes across markets typically results in vastly different ways of working across brands, markets, regions, or similar. Adding regional or local regulatory requirements adds even more complexity to the mix.

To illustrate the relationship and complexity between volume and mutual influence, illustration no. 2 displays the primary sources of complexity in digitizing your business (volume). It also demonstrates how the mutual influence among these drivers escalates complexity, as represented by the lines connecting each source of complexity.

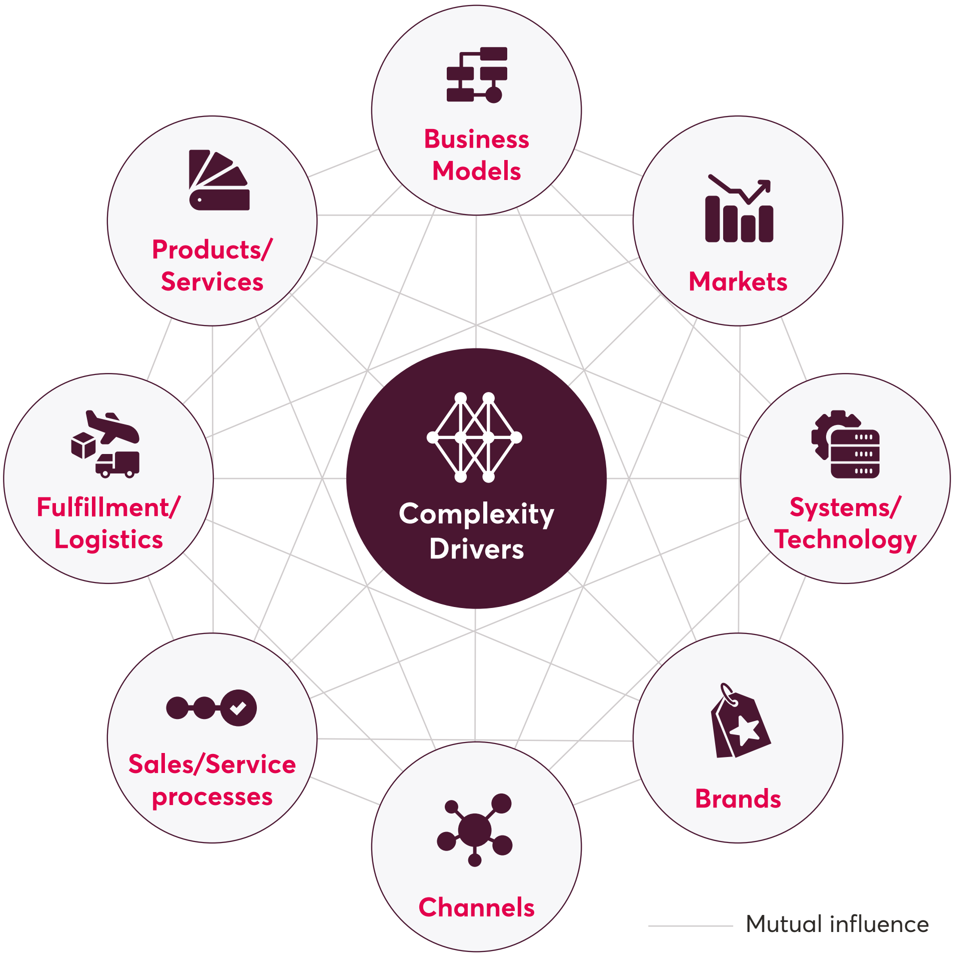


Illustration no. 2: Drivers of complexity

We acknowledge that volume elements like organizational structure, personnel, governance, and goal management are essential in digitalization. However, this whitepaper concentrates on the primary sources and drivers of complexity in digitalization, so these aspects are not the focus here. It's important to note, though, that successful digitalization relies heavily on employee engagement and efficient change management. As we often advise our clients, "Buying tech without changing processes is just a waste of money."

As the illustration illuminates, complexity can easily get out of hand due to "network effects", which is due to the relationship and dependencies (mutual influence) across the different volume elements, which may cause extra complexity. To escalate further, different variations (e.g., business processes and ways of working) within each element can further escalate complexity if not managed properly.

- One example from a client involved their business dealing with highly variable pricing and discount logic across all markets. This resulted in 12 million different prices and discounts for 7,400 products. However, an analysis of the pricing and discount complexity revealed that only a small portion of these accounted for 80% of the revenue and profits. Therefore, by concentrating on the variations that truly drive revenue and profit, we were able to significantly reduce complexity.
- Many B2B companies offer customer-specific prices, however, this can easily get out of hand. One of our clients had 15.000 different customers and 15.000 customer-specific prices = 225.000.000 customer-specific prices. In addition to this, prices were changed four times a year resulting in more than a billion price changes annually, which impedes the performance, scalability, and cost of operating and maintaining IT infrastructure.
- Another example is from a client of ours who wanted to build a configurator to reduce manual handling and improve customer experiences for more than 9.000 made-to-order products. However, based on a sales analysis we discovered that 93% of the gross margin was made on 7 (seven!) made-to-stock products. Therefore, it was decided not to spend resources on selling the last 7% using digital channels – here we simply ask the customers to get in touch with a human if they need special orders. Much cheaper, considered best-in- class service, and can be implemented in days.

Such business logic complicates digitization, often fails to add customer value, burdens staff, and increases costs for customers and is complex to deliver at speed. Therefore, continuous focus should be on understanding the value of activities along with a focus on streamlining and standardizing core business processes and ways of working to fuel digital transformation.

To illustrate how quickly complexity can grow you can look at the relationship between elements and variabilities.

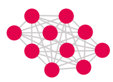
Volume (N)	Relation	Relationships (N*(N-1)/2)	Combinations	#Variations	Combinations incl. variations
2		1	2	3	8
6		15	90	3	729.000
10		45	450	3	91.125.000

Illustration no 3: Complexity relationship model

This example illustrates that having two different volume elements results in one link/relationship and two combinations to consider. In comparison, six different volume elements correspond to 15 relationships/links, totaling 90 combinations. With ten different volume elements, the number of relationships increases to 45 relationships, leading to 450 combinations. To further complicate matters, we also incorporated three different variations, such as business processes or ways of working. This rapidly escalated the number of combinations to 91.125.000 when dealing with ten elements.

We underline the importance of constantly managing and understanding the added complexity and value of business decisions – as unmanaged can lead to inefficiencies, technical debt, bad customer experiences, and reduced profitability.

5. Simplification strategies

To address complexity, it's essential to thoroughly understand it. So, let's revisit the function and examine the relationship between volume and variability. By mapping this onto a 2x2 matrix, we've created four distinct strategies that can be helpful to leaders to understand the implications of the core complexity factors.

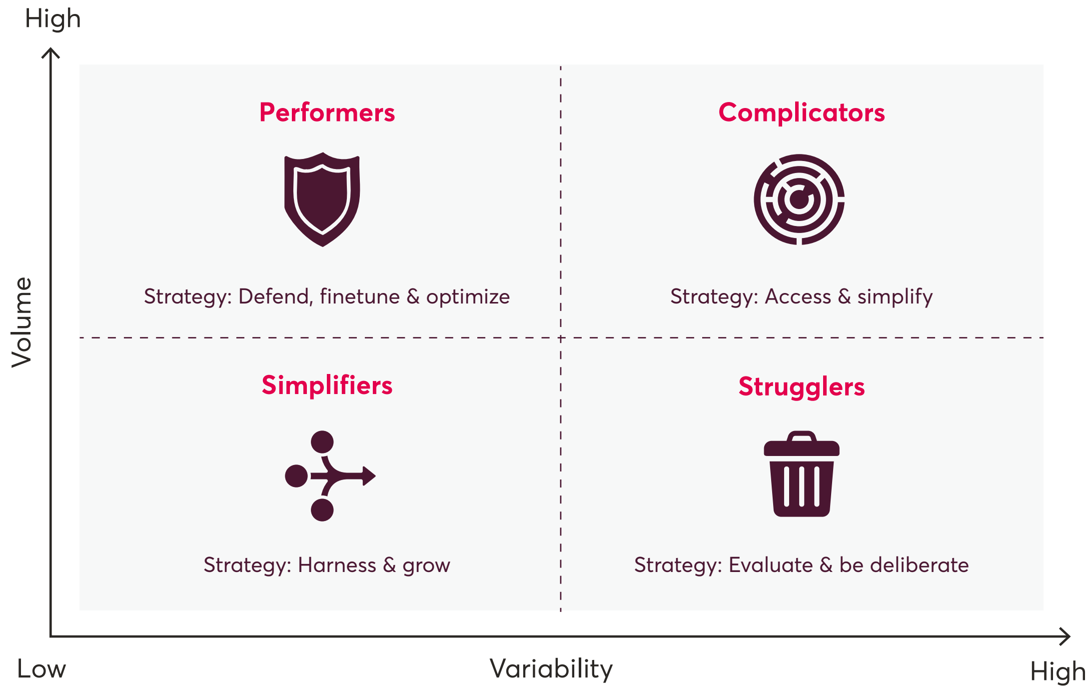


Illustration no. 4: Complexity and simplification matrix *(Inspired by Collins & Jay)*

Let's walk through each strategy in the quadrant:

- **Simplifiers:** Start-ups and young companies often fall into this quadrant. These are companies that have a relatively simple business model and due to the simple nature of the business, they can swiftly respond to new market opportunities. The core focus of these companies should be on incrementally adding volume to drive growth while being aware of the variability of core business processes to maintain profitability.

- **Performers:** Successful companies excel by expanding into new markets, brands, channels, delivery options, and business models, all while enhancing customer value and profitability. The key is a razor-sharp focus on standardization and minimizing variability to boost digital scalability, flexibility, and performance. A great example of this is Apple's product simplification strategy. When Steve Jobs returned to Apple in 1997 the company was near bankruptcy, offering 28 products of mediocre quality. With a clear customer focus on streamlining and simplifying Apple's product line focusing on exclusively a few high-quality products has significantly reduced complexity and increased the profitability of products and made Apple one of the most valuable companies in the world.
- **Complicators:** Traditional companies attempting digital transformation typically fall on the right-hand side of the model. Companies in the upper right quadrant deal with complex operations involving diverse elements and high variability in business processes, pricing, promotions, and workflows. Furthermore, they are often characterized by legacy systems and siloed data, which results in poor performance, long time-to-market, low agility, limited scalability, and substantial technical overhead. A prime example of strategic adaptation is Ford, which recognized the need to evolve with changing customer demands. To expedite its digital transformation and reduce the complexity of the electric transformation of cars, Ford divided itself into two distinct entities. Ford Combustion is dedicated to gas and diesel engines, aiming to enhance profitability and customer loyalty. On the other hand, the EV entity focuses on electric vehicles and connected technologies. Distinct from legacy systems, processes, and methods gearing this division towards innovation and addressing new customer needs at speed. This strategy reflects a strong understanding of the complexity Ford has inherited internally over many years of operations. It also acknowledges that digitizing the traditional business model is too time-consuming, costly, and risky if Ford aims to remain competitive and adapt to evolving customer needs.
- **Strugglers:** These companies are struggling to manage high levels of complexity and are losing significant profit as they have built too much complexity. Companies that fill this quadrant need to evaluate variability and whether it drives competitiveness/profitability or something that you are deliberately continuing. In most cases there is a need to kill the complexity here – but in some, you need to keep up the legacy for good reasons – but don't try to digitalize it – as it will likely never be profitable as the traditional business model was build an analogue way of doing business.

Typically, companies can manage the added complexity that comes with expanding into new markets, brands, sales models, and channels, as long as it's handled incrementally. Successful companies often concentrate on managing variability, such as business processes, when introducing additional complexity. They achieve this by emphasizing unification and standardization across various elements(volume). In contrast, unsuccessful companies often fail to manage the variability associated with added complexity, leading to decreased efficiency and a reduced ability to respond to change or new requirements.

In the next section, we will discuss how companies can address and manage complexity and achieve the ideal balance - the complexity "sweet spot".

6. Striking the complexity "sweet spot" to drive higher profitability

Every company is looking for the path to faster growth and higher profits in an increasingly complex and competitive business environment, and many are struggling to find it. Rather than blaming external factors for their troubles, successful company leaders examine their organizations more closely. In doing so, they identify where complexity has crept into many of their processes, systems, and activities.

In a study from Boston Consulting Group, a strong causality between reducing complexity and revenue growth was demonstrated.

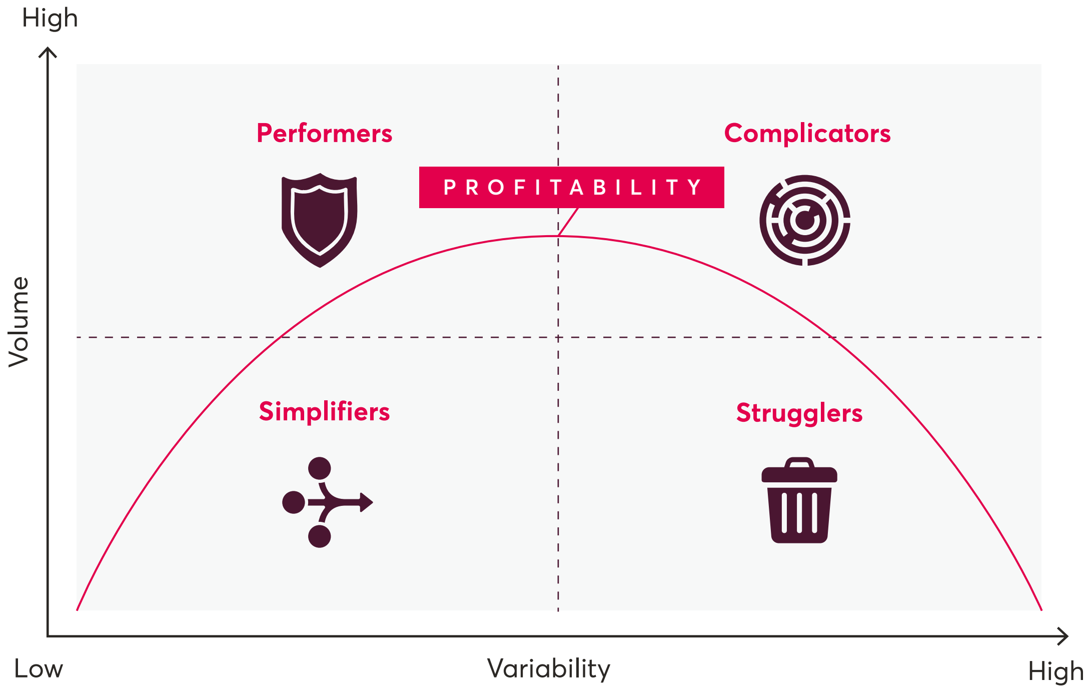


Illustration no. 5: Performance and complexity matrix

To succeed in digitizing you need to actively manage the complexity. As shown in illustration no. 5, increasing volume - when done deliberately - will increase complexity and can help boost profitability and revenue. However, be wary of variability; it can rapidly escalate complexity, reducing your business' profitability, competitiveness, and agility.

Even though these strategies might seem simple it is often difficult for companies to understand exactly where they are on the complexity curve. To help distinguish between good and bad complexity lies in customer value creation. You can ask yourselves the following questions:

- Is it better for customers?
- Is it simpler for staff?
- Is it cheaper for your company?

If the conclusion is that added complexity adds customers value based on the questions, then of course you should do it. However, if it subtracts value, you shouldn't.

A great example of this is from a large retailer in Denmark that was introducing a new e-commerce platform. In physical stores, the retailers offer "Buy 3 and pay for 2", which was not natively supported by the e-commerce platform. Despite this, the company demanded this as a part of the project. This decision ended up postponing the project, creating technical debt for a feature that didn't contribute to extra customer value. So, let's use the checklist to see whether it makes sense.

- Is it better for customers? Probably not. Customers would be just as happy with an alternative promotion option.
- Is it simpler for staff? No. This is one more promotion type to navigate.
- Cheaper for your company: No. Project postponement and higher cost to deliver were the implications of this decision.

In a perfect world simplification and digital transformation should go hand in glove. Streamlining business processes and IT infrastructures can significantly ease the delivery of digital services. A simplified IT landscape with flexible, decoupled architecture, streamlined processes, distinct system responsibilities, and standardized data is far more effective than a complex environment burdened by legacy technology, point-to-point integrations, unmanaged process variability, fragmented systems, and inconsistent data records.

Managing complexity is a formidable challenge for leaders, and gaining management buy-in for simplification can be equally daunting. In today's business climate, leaders often equate "business development" with value creation, leading to decisions that may not always align with the company's best interests. Therefore, we typically discuss the following dilemma with our clients to illustrate the point. What growth strategy would you choose between these two options:

- Option 1: Increase revenue by 40% and profits by 5%, typically through business expansion like entering new markets, adding new channels, or launching new products.
- Option 2: Decrease revenue by 10% but boost profits by 20%, usually achieved by reducing complexity.

Most clients opt for the first option, attracted by the dual promise of increased revenue and profits, even though the second option offers a substantial improvement in profitability. It also enhances business flexibility and market responsiveness by reducing complexity.

A great example of this comes from Thomas Wandahl, previously CEO of Telmore:

"For a long time, we had been building more and more complexity in our IT due to the eagerness to create new solutions for our customers. However, it can be difficult to go to the board to present a 25 million DKK investment in cleaning up IT systems, as an alternative to investing 25 million in new products. It's not hard to guess the outcome when quarter after quarter, you must present more revenue and greater earnings. It requires a more long-term focus to work with the reduction of complexity and some new ways to measure the effect of this investment."

What Thomas Wandahl says is that it is often difficult to get buy-in for cleaning up and reducing complexity rather than doing business development. Despite that, the impact on profitability often is much higher from reducing the complexity of the business model.

In our opinion, many enterprise companies need a "business assassin" whose primary focus is on identifying and killing bad complexity that either is not in a happy flow or drives significant value. The primary task of the business assassin is to identify, evaluate, and kill bad complexity, which may result in a reduced number of products, categories, markets, or technology if it does not add substantial value. In addition to this, it would significantly fuel digital responsiveness to change and help succeed with the digital transformation.

Get yourself a business assassin in your organization, whose primary task is to identify, evaluate, and kill bad complexity. It can have a significant impact on profitability.

7. Mastering complexity: Our advises for a good starting point

Is complexity draining profitability and are you wasting money on trying to digitize an analogue business model? It's time to take a proactive stance in managing your company's complexity, paving the way for agile responses to change, scalable operations, and sustainable profitable growth.

Complexity is not inherently bad, and it plays a dual role. It can act as a catalyst for growth and innovation on one side and as a potential barrier to profitability on the other side. Successful digital transformation hinges on companies' ability to navigate and find the complexity sweet spot by identifying beneficial complexity and eliminating those that are value destructive. As we move forward, companies that master the art of managing complexity effectively will undoubtedly emerge as leaders in their respective fields, setting new benchmarks for success in the digital era.

Successful companies are those that create fully digitalized processes and not just digitize current processes that were made for an analogue way of doing business.

For many years growth has been given by many company leaders who are used to opting in on strategic choices to propel future growth, however, as time has changed, it has become even more important for leaders to learn when to opt out and make the hard decisions to simplify business model by eliminating unprofitable business areas or complexity drivers that makes it hard to digitize. Start by understanding your volume and variability and what contributes to value and profitability and what elements are adding unnecessary complexity? Think about the long-term implications of business choices to drive value for business owners and create a strong heritage for your descendants.

To drive digital transformation, here are a few pieces of advice:

- Break the project into smaller pieces and focus on speed to value.

- Ask yourselves the three core questions; Is it better for customers? Simpler for staff? Cheaper for your company?
- Is the current variability driving substantial value to your customers?
- Stick to standard systems and functionality. Usually, you are not that special.
- Structure and organize data centrally. Buying new IT with old processes is just a waste of money.
- Understand how business choices increase volume, variability, and end-to-end cost. Do the new initiatives drive extra complexity and drain your profitability?

In conclusion, the path to successful digital transformation lies in understanding and managing complexity. It's about making informed decisions that enhance customer value, streamline operations, and ultimately, drive profitability. As we move forward in this digital era, the ability to simplify and adapt will distinguish the leaders from the laggards in every industry.

Your role as a leader is not just to navigate these changes but to spearhead the transformation, ensuring that your organization not only survives but thrives in the digital age.

8. Contacts

We would be happy to talk about digital roadmap with you as well – or simply give you a second opinion on your considerations. Please reach us at:

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GET IN TOUCH

Adam Peter Nielsen is Novicell's CTO and digital advisor for a large number of Danish and international companies. He is able to translate a high level of business understanding and in-depth technical knowledge into digital solutions of high value for our clients. With more than 20 years of experience in digital strategy, creative problem solving with tech, project management, and digital product development, he is able to understand technology from top to bottom, allowing for both strategic sparring with C-level stakeholders and detailed technical sparring with developers.

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Kasper Madsen is a highly experienced professional in the fields of business development, digital transformation, and e-commerce. In Salling Group he played a key role in establishing the company's digital direction and helped set the direction online. Today, Kasper is heading our business consultancy team at Novicell. In this capacity, he provides clients with guidance on how to navigate and optimize digital through digital consulting, developing digital roadmaps and executing efficient channel strategies.

Toke Lund
CEO Enterspeed

Co-writer

Toke Lund has been working within management consulting, heading up the strategy office and the consumer insights office at the LEGO Group, driving digital transformation at Salling Group, and working as a digital consultant at Novicell. Now, Toke has founded Enterspeed, a SaaS company delivering a high-performance product called Speed layer, which can accelerate digital transformation and composable setups.