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Capgemini Consulting renews research collaboration with MIT Center for Digital Business to define digital organization of the future

Continued collaboration investigates how fast-moving digital innovation will reshape organizations – the way we work and manage

Paris, June 26 2014 – <u>Capgemini Consulting</u>, the global strategy and transformation consulting arm of the Capgemini Group today announced a three year extension to its collaboration with the <u>MIT Center for Digital Business</u>. The collaboration marks the continuation of the pioneering research carried out by the organizations in the last three years which found that enterprises that conduct successful digital transformations are, on average, 26% more profitable than their industry peers.

Capgemini Consulting and the MIT Center for Digital Business are conducting this new joint research program to examine more systematically *how* powerful digital technologies and ubiquitous digital data will change the nature of work, the design of organizations and the shape of industries. Thanks to the earlier pioneering work on digital transformation, the importance of digital transformation is now acknowledged by most executives. But business leaders are now looking beyond their immediate transformations. They are seeking to understand what the shape of their organizations will be, once these technologies have made their way into corporations on a large scale. This new phase of research will attempt to provide guidance on this important topic.

By studying the impact of digital technologies on organization, the research will detect effective patterns of organization that business leaders can tangibly use to guide their strategies and thrive in an increasingly digital world.

Digital technologies such as social media, mobile devices, smart and wearable products, analytics and cloud-based computing power and storage, are advancing rapidly across the global economic landscape. These digital technologies are increasingly pervasive, not just in developing economies but in emerging economies as well. Effective organizations and ways of organizing are expected to look very different in this emerging digital age.

Andrew McAfee, a principal research scientist at the MIT Center for Digital Business explains: "With digital technology we are witnessing an industrial revolution of the scale of the first one. Anyone who studied the first industrial revolution will have learned two important lessons. Firstly, many organizations did not adapt and survive the transition. Secondly, those that did needed to fundamentally change how their business operated."

In addition to analyzing the underlying changes that organizations will go through with successive waves of digital transformation, the three year study – comprising economic, organizational and field-based research – will also provide practical implications for how leaders can successfully steer their companies in the right direction. It will investigate how the challenges will vary across different settings such as industry verticals or regions.

George Westerman, a research scientist at MIT Center for Digital Business explains: "Signs of digitally enabled organizational designs are already evident today. Some firms are leveraging human capital in novel ways – they are flatter and more data driven. Some are collaborating more smoothly across internal and external boundaries. Yet other firms are reshaping the value chains of their industries. We need to make sense of these patterns."

<u>Didier Bonnet</u>, senior vice-president at Capgemini Consulting explains: "The biggest challenge our clients face today is that while everyone is talking about the future digital enterprise, no one really knows what it's all about. We know we need to put big data to work to make our companies more intelligent. We recognize that we must improve connectivity, transparency and collaboration to create globally aligned organizations. Above all though, we know how important it is to base our conclusions and recommendations on rigorous and relevant research, and that's why we're looking forward to collaborating with the MIT Center for Digital Business for another three years."

About Capgemini Consulting

Capgemini Consulting is the global strategy and transformation consulting organization of the Capgemini Group, Specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, our global team of over 3,600 talented individuals work with leading companies and governments to master Digital Transformation, drawing on our understanding of the digital economy and our leadership in business transformation and organizational change. Find out more at: http://www.capgemini-consulting.com @CapgeminiConsul

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About the MIT Center for Digital Business

Founded in 1999, the MIT Center for Digital Business (http://digital.mit.edu) joins leading companies, visionary educators, and some of the best students in the world together in inventing and understanding the business value made possible by digital technologies. We are supported entirely by corporate sponsors with whom we work in a dynamic interchange of ideas, analysis, and reflection intended to solve real problems. The Center has funded more than 50 faculty and performed more than 75 research projects focused on understanding the impact of technology on business value, and developing tools and frameworks our sponsors can use for competitive advantage.