THE CHALLENGES OF INNOVATION AND DIGITAL TRANSFORMATION

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Digital: engine for growth

ICT capital accumulation (% of GDP)

Productivity (2000=100)

GDP (2000=100)

Source: Oecd, Eurostat, Oxford economic
The «core» of Digital Revolution

Market re-definition and new business models
Drivers for organizational change

Process Driver

- Innovation in managing the relationship between upstream and downstream partners
- Innovation in managing the relationship with the end customer
- New business models / launch of new services
- Geographic diversification and internationalization
- Automation of production processes
- New ways of working / smart working
Digital Transformation: a commitment from the top

**LEADERSHIP**
- Business target
- Rethinking process
- HR skills

**EXECUTION**
- Timing
- Execution speed
- CRM
Digital transformation of Italian SMEs

Economic system based on Micro & SMEs

- % of value added in the Italian economic system
  - 68% SMEs
  - 32% BIG Ent

Digital intensity

- empl 10-49: 10,7% high, 89,3% low
- empl 50-99: 15,2% high, 84,8% low
- empl 100-249: 20,8% high, 79,2% low
- empl >250: 34,4% high, 65,6% low

Source: Istat
2016: digital @ the core of industrial policy

1. Industry 4.0 plan
2. Private sector commitment
Industrial Investment & GDP reprise: 2014-2017

**Industrial Investment**

**GDP Growth**

- Quarter percentage rate (sx)
- Billion of euro (dx)
Financial institutions disruptive technologies

1. Fintech/Open Innovation
2. Big Data
3. Artificial Intelligence
4. Blockchain
Investment & Integration in Fintech & Open Innovation

Percorsi di Fintegration

**INCUMBENT**
- Acquisition
- Investment
- Partnership

**BtoB**
- Fintech operators

**BtoBtoC**

**BACK END**
- Infrastructure revision

**FRONT END**
- Innovation in customer services