The Digital-Age Business Model: Using Mobility and Cloud for Collaboration and Innovation
People Need People
Swisscom’s Chairman Hansueli Loosli expressed the underlying principle of the event and the Swisscom business strategy: When asked which qualities the board would seek in their next CEO, Loosli said, “Above all, he has to be a person who likes people.

“Everything functions through people. Even though we are IT-based, and have such great machines, it is people who manage everything.”

People collaborate to develop the machines and systems; and it is the human desire for connection, even across oceans and continents, that has led to the advent of this 24/7 digital universe.

IT and humanity seem to be reliant on each other now.

“The Internet of Everything”
According to Michael Ganser, Sr. VP at Cisco, we humans produced more data last year than in our previous 5000 years of existence.

“We are in a new phase of the digital age,” says Ganser, “the digitalization of everything.”

Ganser predicts that this data, produced from millions of sources around the globe, can be harnessed by smart companies to generate record profits of up to USD 14.4 trillion by 2022. That would be a 21% increase in less than a decade.

It’s all online, available day and night, but it is far too much for one person, even a computational genius, to process alone. This “Internet of everything” has also democratized business by admitting smaller companies, even start-ups, to the same sophisticated global stage.

The tempo of competition is accelerating, and large companies will have to match the agility of smaller ones in innovating and conversing with customers in a world of 24-hour social media.

Customers want to be part of the team.

IT at the Core of the Business Strategy
Ganser says, “71% of CEOs believe strong IT is crucial to beating competitors, but 57% of CIOs say they sometimes share their strategy with the CEO, and only 34% of CIOs share their strategies with the CEO all the time.”

“No company can afford to relegate IT to the sidelines anymore.”

CEOs and CIOs have to collaborate closely from step one to create the business model around a digital-age nucleus. If the information strategy is riddled with security gaps, can’t keep up with real-time development, is poorly aligned to the business strategy, or ignores the consumer voice, the company will fail.

BYOD – You Can’t Stop It
Cisco predicts 50 billion online mobile devices by 2020. “We have a digital disruption, an explosion of device usage,” says Ganser.

The BYOD (Bring Your Own Device) culture sprang naturally out of this mobility movement, but most company networks are not fully functional on mobile devices.

Stephan Walder, Product Manager at Hewlett Packard HP, says that this is because only 34% of employers believe that employees connect to work sites through their smartphones or smartpads, whereas 69% of employees report that they do!

The BYOD trend is only picking up speed. Companies are right to be wary of potential security violations, but postponing the inevitable only increases the risk of a security debacle.

The best thing companies can do is to implement high-security protocols which enable them to take advantage of the increased connectivity, as a tool for greater productivity.

Security Risk
24/7 connectivity does, however, raise the security stakes. For their 2013 Data Breach Investigations Report (DBIR) Verizon polled 19 companies.

In one year, those companies suffered 47,000 security incidents, and 621 confirmed security breaches.

John Madelin, Vice President of Marketing at Verizon Enterprise Solutions, says that companies believe cyber criminals only target “government, military, and high-profile organizations”.

“Wrong,” says Madelin, “75% of attacks are opportunistic.”

Does the Cloud Fix the Problem?
Giuseppe Genovesi, IT Infrastructure Manager at Interroll Group, claims that the quantity of data is beginning to surpass the capacity, functionality, and security systems of separate, smaller, corporate servers.

Verizon claims that the cloud, accessible through mobile devices, will actually close security gaps, solving 90% of corporate security breaches.

Genovesi says, “Companies need to migrate to the cloud for the increased security and mobile functionality. However, using the cloud requires sophisticated IT knowledge which is beyond most corporate IT professionals.”

A good cloud system is designed to monitor and manage every point of contact at once, generating automated, integrated reports from websites, social media, CRM systems, mobile apps, widgets, interactive tools, and QR codes (the little squares you scan).

All those points of contact feed into the central database in real-time, matching the 24/7 availability that individuals, or customers, are coming to expect in the online universe.
Obviously, careful protocols must be implemented to prevent data from being served up to the public before it has been vetted.

What about the Risk of Centralization?
This question arises in the news often enough, most recently with regard to the plundered Swisscom data storage facilities.
Curiously, at the Dialogue Arena, nobody mentioned the potential global devastation ensuing from a cloud security breach. What happens when a hacker gains access to the data of every government, corporation, and even individual citizen?
What about a renegade cloud expert with the information reigns of the world in his hands?
It wasn’t mentioned, because, right now, there is no answer. The risk is colossal.

Who Is the Master of the Digital Universe?
It begs the question: Who are these cloud experts?
Many people believe that only the rising generation is savvy enough to handle this brave new digital world.
It is certainly true that Generation Y, or the Millennial Generation, has been bred to breathe the cloud, to live and commune via mobile devices and social media.
Companies also need originality and innovation, faster than ever, and it’s natural to imagine that a world of new digital ideas is best created by the digital-born population.
Is it true, though?

Should We Equate Innovation with Youth?
The assumption that youth and innovation are synonyms is spurious. Youth is reactive, sometimes rebellious, not necessarily innovative.
Alexander Senn, Head of Recruiting & Employability at Swisscom, asserts that innovation thrives, regardless of age, in company culture which allows it.
Remember the golden era at IBM? It certainly wasn’t populated exclusively by twenty-somethings.
And 43% of people over 65 are using social media, so the digital world isn’t a romper room.
Senn believes that character, not age, is decisive: Innovators are a class of passionate, proactive, self-motivated individuals.
A flexible work atmosphere, freedom to work from home or part-time, a climate of conversation, and above all, the permission to contribute and take risks, are essential to a flourishing, innovative company.
Mobile ICT is now fundamental to that process, since it enables constant network connectivity from remote locations.

Time, and Permission to Fail
Impact Hub Zurich is part of an international forum for sustainability start-ups. How has Co-Founder Niels Rot experienced the relationship between age and innovation?

Niels Rot, Impact Hub Zurich Co-Founder

“Three of us, ages 26 – 27, founded the Impact Hub Zurich branch three years ago. Of course, we invited our friends, and then friends of friends, all around the same age. Now the average age might be between 30 and 40, and there is increasing interest from people 40 and over. We would love to see more people in their 50s and 60s, which is happening gradually.”

Is it only the young graduates who bring ingenious ideas to the Hub?

“Well, the sample set is small. So far, the ‘what’ usually comes from university graduates who have all this time to sit around and discuss ideas with their friends. The more experienced people don’t necessarily bring the ‘what’, but they bring the ‘how-to’, which the younger ones don’t know.”

Rot says, “There is a lot of potential for older people. They still have the thinking. They just need the greenhouse to give them the opportunity to generate ideas.”

So time is essential, but the stakes are also higher with age. “Of course, it is easier to take risks when you have fewer responsibilities, or you have fall-back options,” says Rot.

Swisscom is not a company of twenty-somethings, either, but Chairman Hansueli Loosli says that the company will rely on the new CEO to continue the corporate strategy of pursuing innovation, and tolerating the risk that goes with it. They take the burden of risk off the employee’s shoulders.

It’s critical to the company’s success, considering they have regenerated their offering in the past decade, deriving 70% of profits from new products.
Innovation comes in all ages, when companies permit the risk of failure, and provide a forum for collaboration. That’s good news, since our global population isn’t getting younger.

Grand Finale: the Swisscom Business Awards

The themes of collaboration, mobility, and innovation culminated in a ceremony celebrating the achievements of two Swisscom partners.

Swisscom bestowed VIP status and CHF 25,000 in services on two award winners, selected for their excellence in the categories of “Mobility” and “Efficient Collaboration”.

The award for “Efficient Collaboration” went to the Geneva Servette Hockey Club, the only hockey club in the world to use a cloud-based whiteboard, which archives tactical reviews for cumulative performance assessment. The team’s new telepresence solution also enables the team to conduct international scouting interviews without air travel, reducing expenditure and environmental impact.

And the Mobility Winner Is...
Limmex, the Life-Saving Watch!

Remember the emergency watches we wrote about in September? [A Swiss Beacon of Hope for the World]

We were thrilled – but not surprised – when Limmex CEO Martin Reber was called to the stage to accept the Swisscom Business Mobility Award!

CEO Martin Reber told us, “This recognition of the team’s achievement comes at an exciting time, as we enter a new phase of development.

“We are about to roll out new features, and since our concept, from the beginning, was to base services in the cloud, it means that people who own the watch won’t have to do anything to get the new features. They don’t have to buy a new watch – the upgrades are automatically downloaded from the cloud to their existing watches.

“People around the world are requesting our watch, and by December, we will be entering the US market, which is just the beginning of global growth. So this award marks a milestone that we will celebrate together, when I take this extremely heavy trophy back to the team!”

The Dialogue Continues

Our 24/7 global economy is fed by a flood of data that no one person can handle alone. In this “internet of every-thing”, business success hinges on perpetual development and innovation. The constant collaboration and dialogue necessary to keep pace will be increasingly dependent on mobility and the cloud, or the ability to connect with each other from any device at any hour. Security is an issue we will have to tackle together.