



Systems Transformation and Millennials

Thinking about the bigger picture

XV Tech Day del Comité de Sistemas de la AMIB
October 2015

Lou Mazzucchelli

Fellow, Cutter Business Technology Council

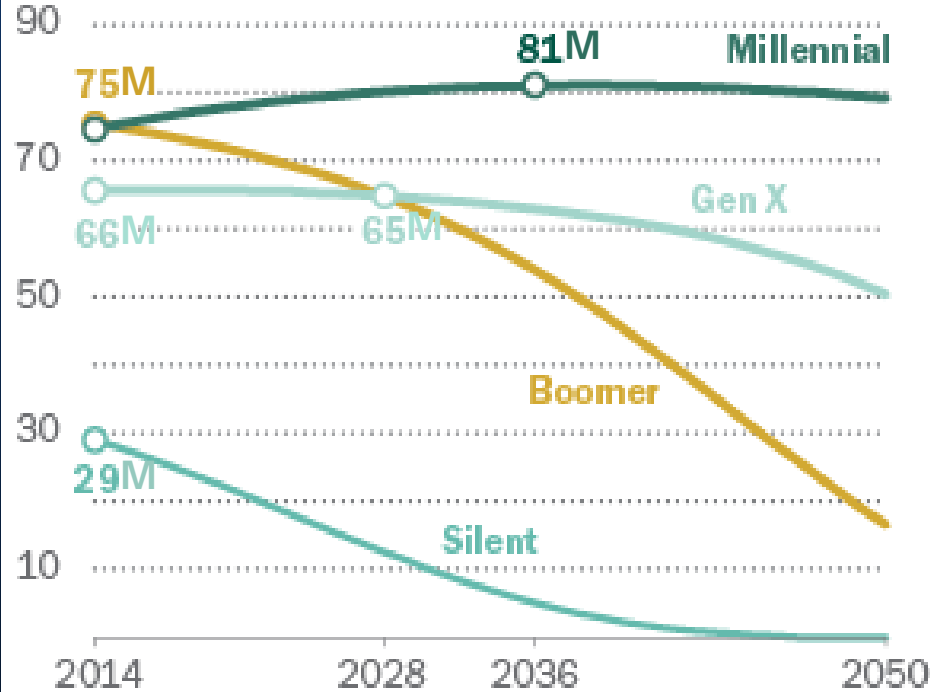
The big picture

Generations (age range as of 2015)

- Silent (70+)
- Boomer (51 – 69)
- Gen X (35 – 50)
- Millennial (18 – 34)

Projected Population by Generation

In millions



Source: *Pew Research Center* tabulations of US Census Bureau population projections released December 2014



9/14/2015 - Condé Nast Appoints New CEO

“We’re digital first, mobile-led and focused on millennials, whose spending power is increasing quickly”.

- Bob Sauterberg



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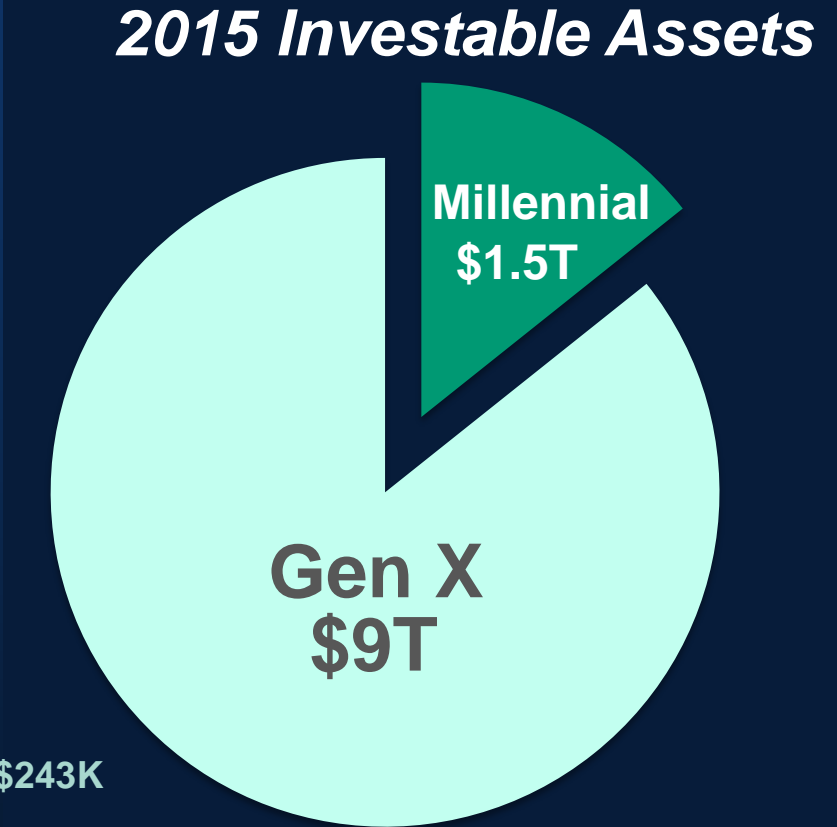
- Bob Sauterberg
Age 54

The bigger picture

Not just spending power

Generations (age range as of 2015)

- Silent (70+)
- **Boomer** (51 – 69)
- **Gen X** (35 – 50) **37M HH / \$243K**
- **Millennial** (18 – 34) **22M HH / \$68K**



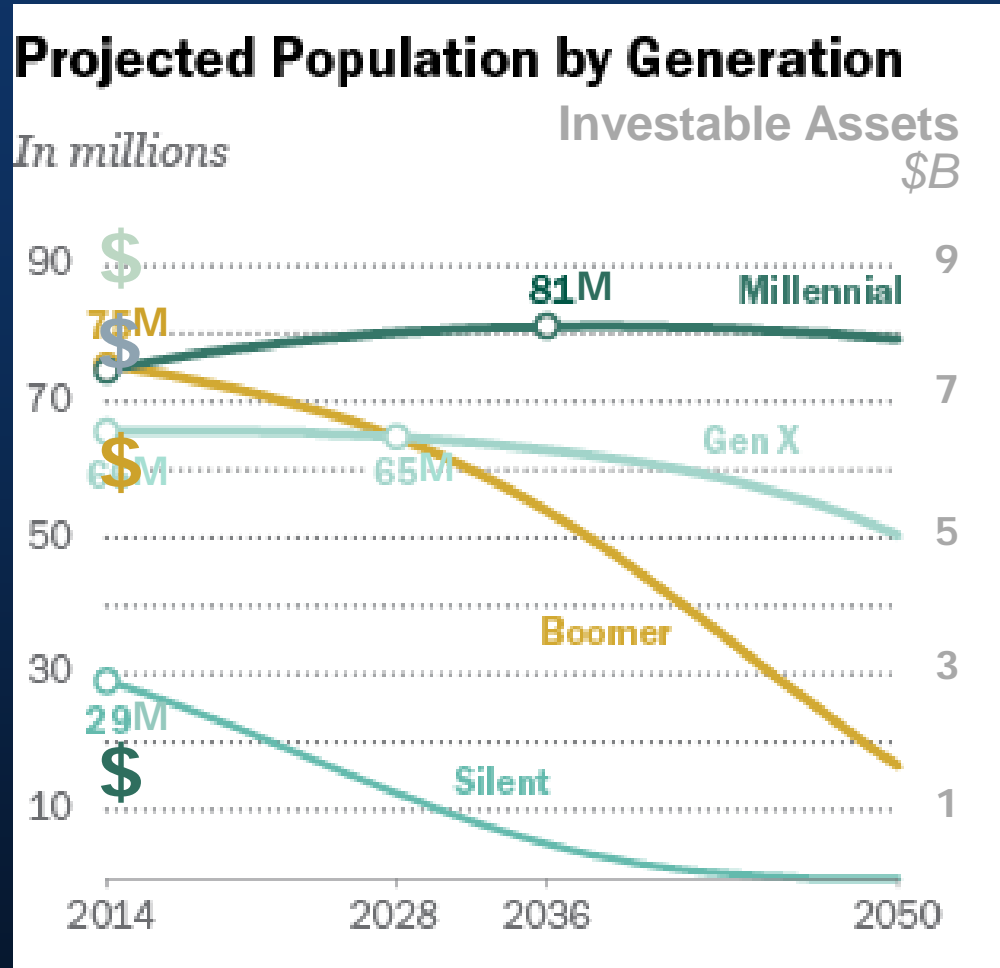
Source: Hearts & Wallets LLC

The bigger picture

Not just spending power

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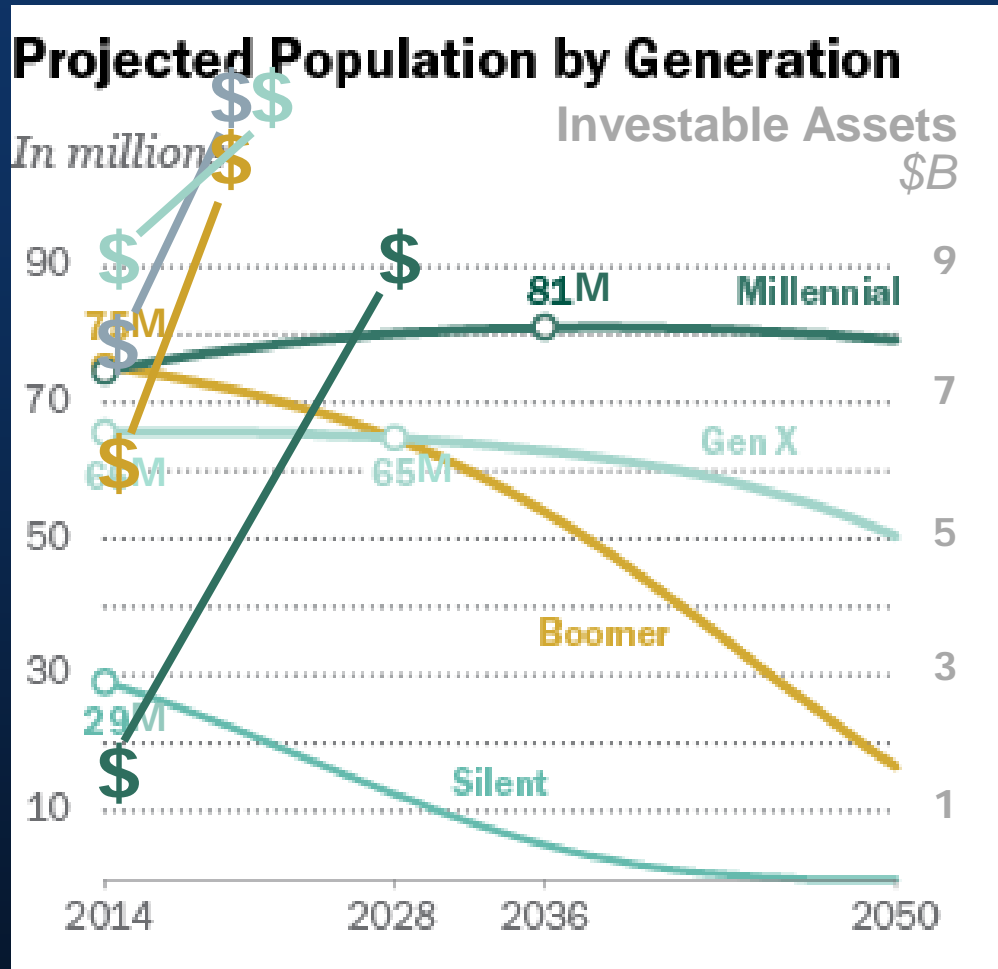
Source: *Pew Research Center* tabulations of US Census Bureau population projections released December 2014 and personal estimates

The bigger picture

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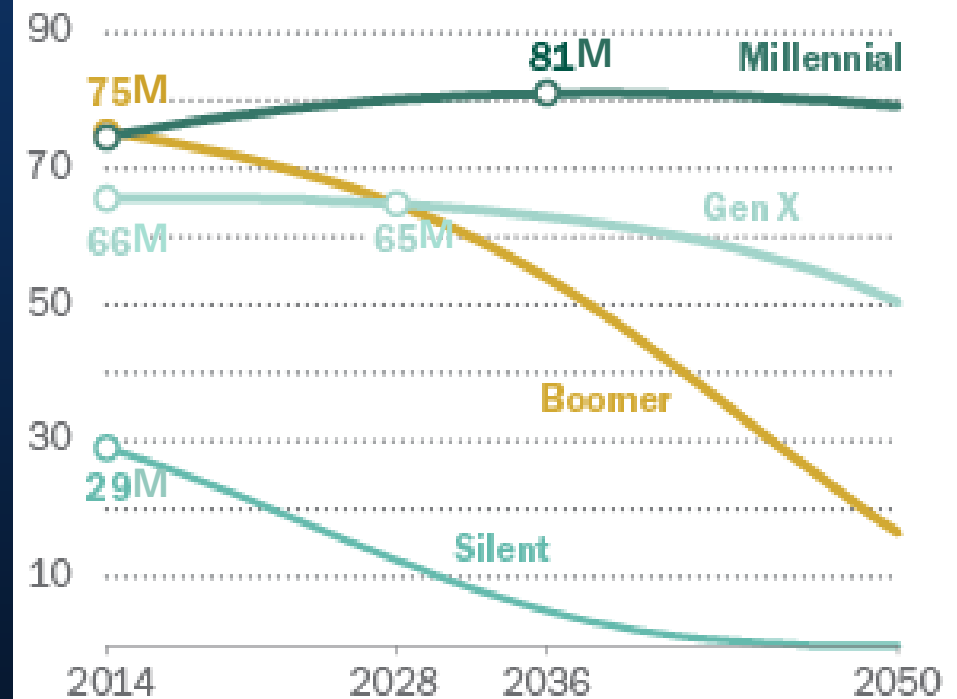
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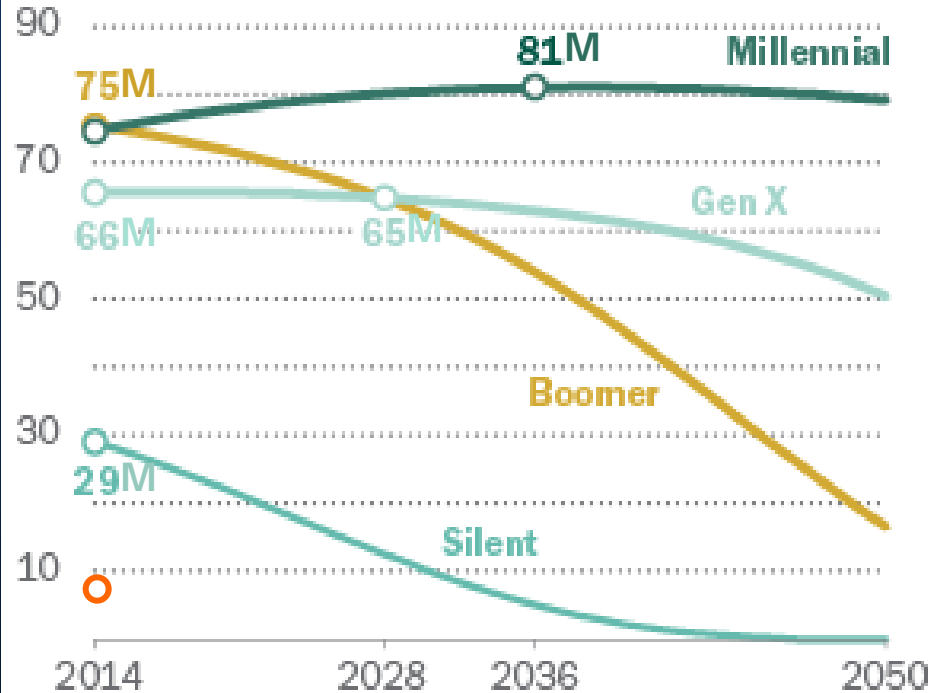
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Projected Population by Generation

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Source: *Pew Research Center* tabulations of US Census Bureau population projections released December 2014

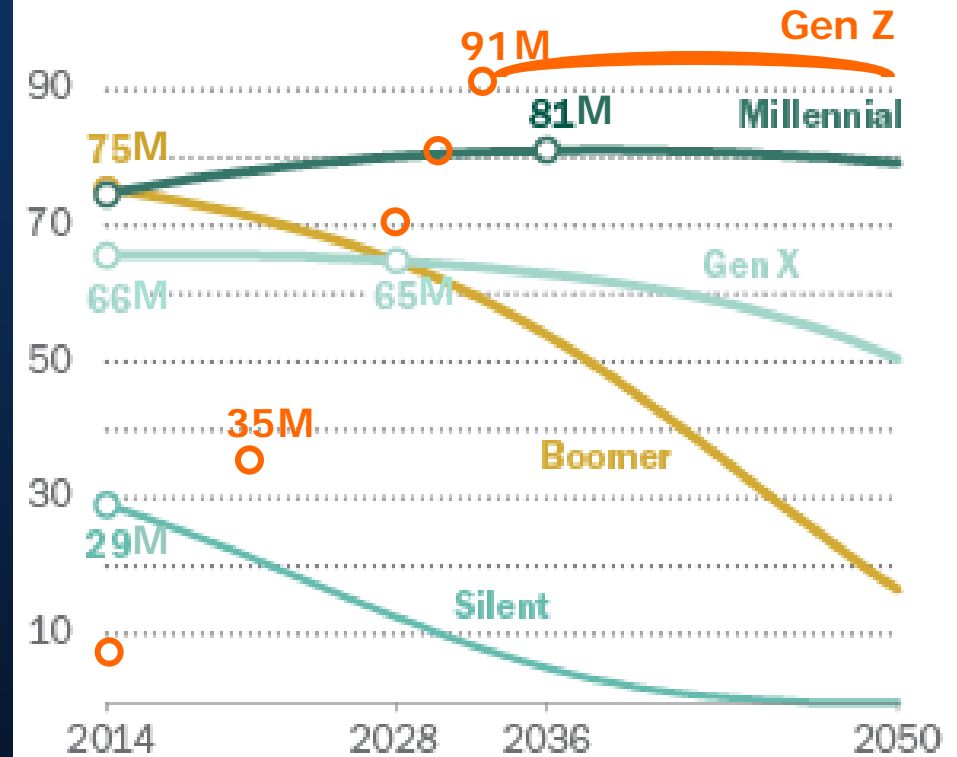
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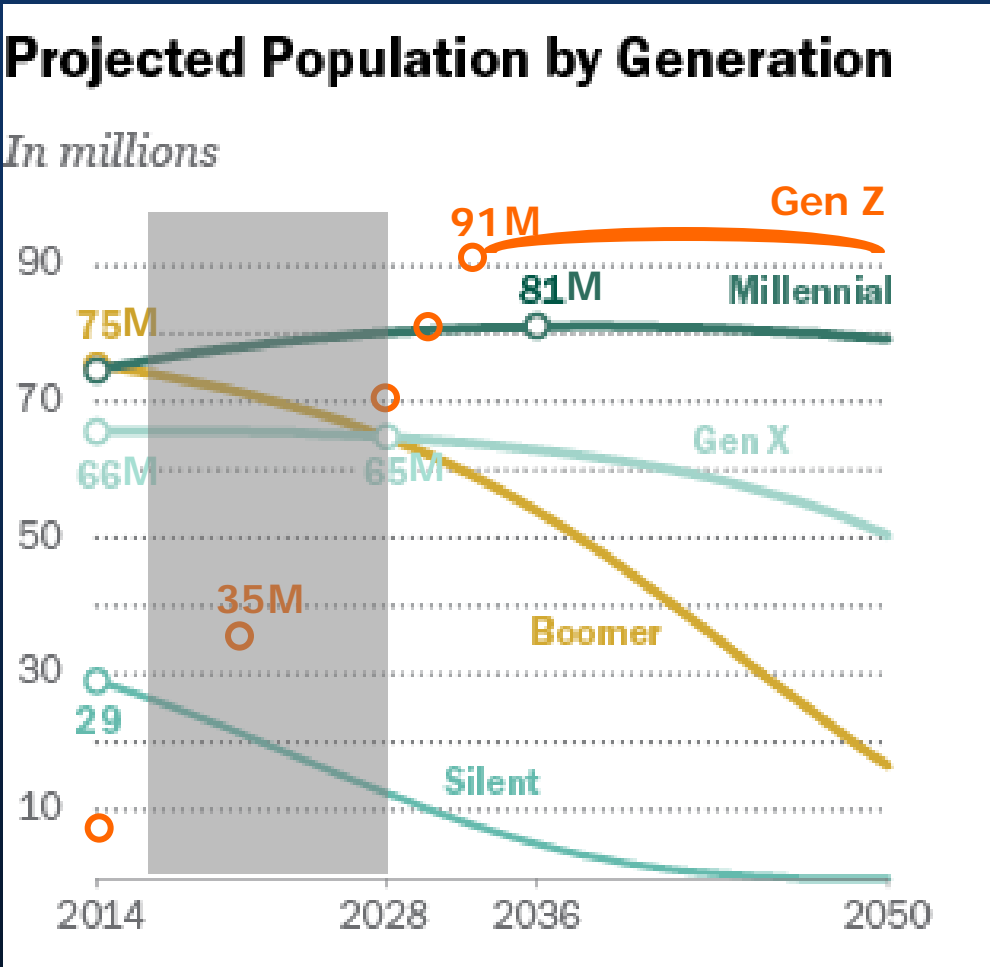


Source: *Pew Research Center* tabulations of US Census Bureau population projections released December 2014, and personal estimates

What would Wayne Gretzky say about this?

The bigger picture

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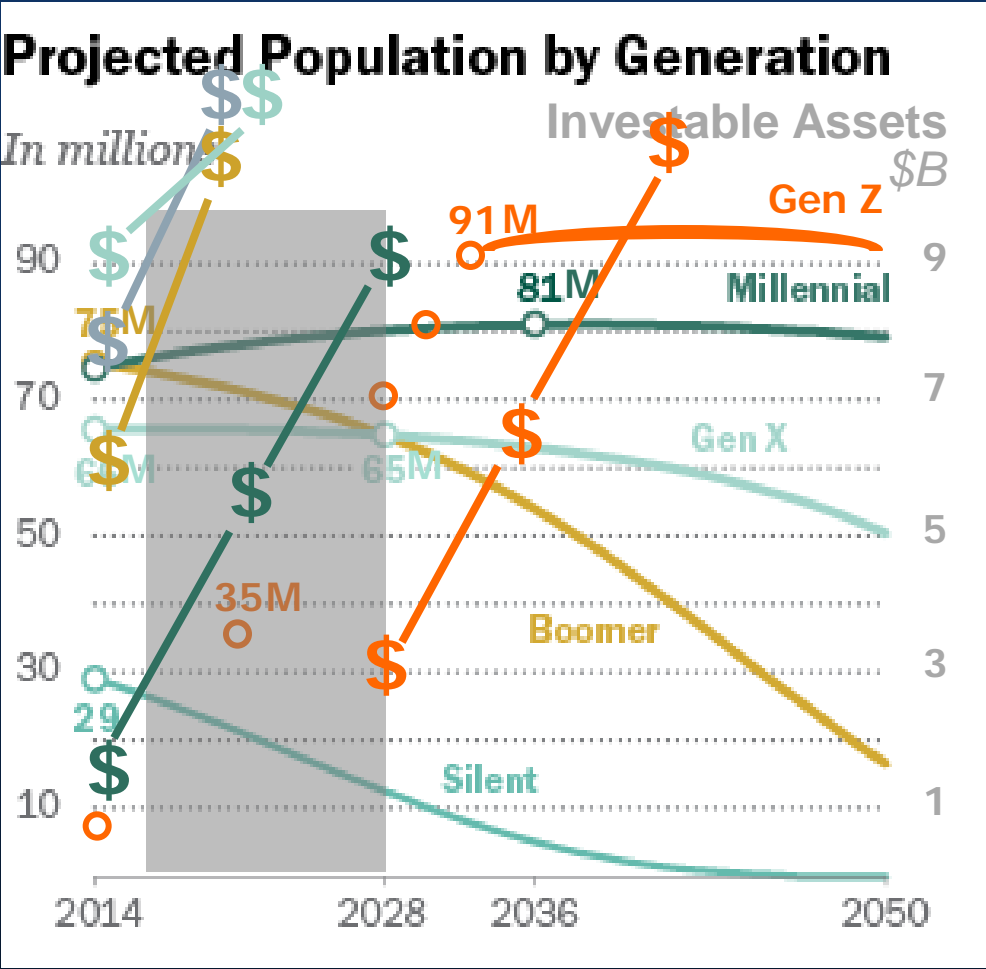
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The bigger picture

Not just spending power

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The bigger picture

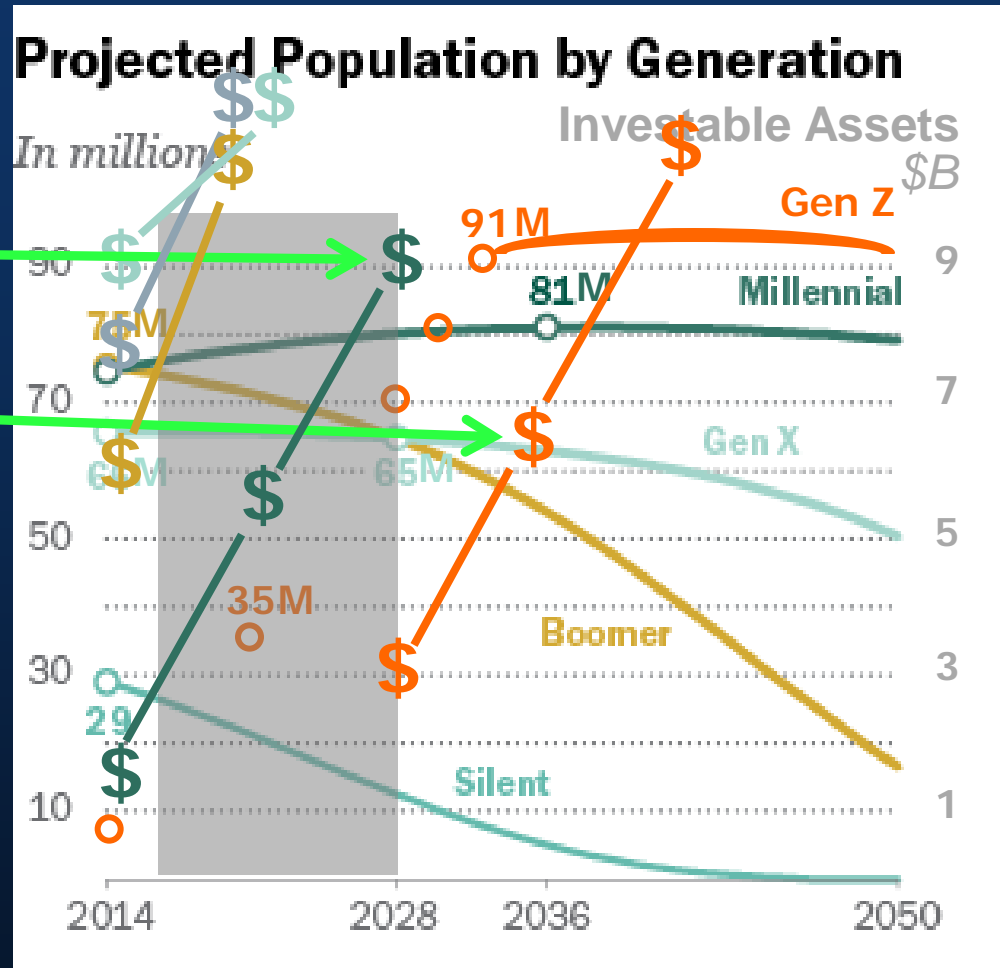
Not just spending power

Best Case →

Worst Case →

Generations (age range as of 2015)

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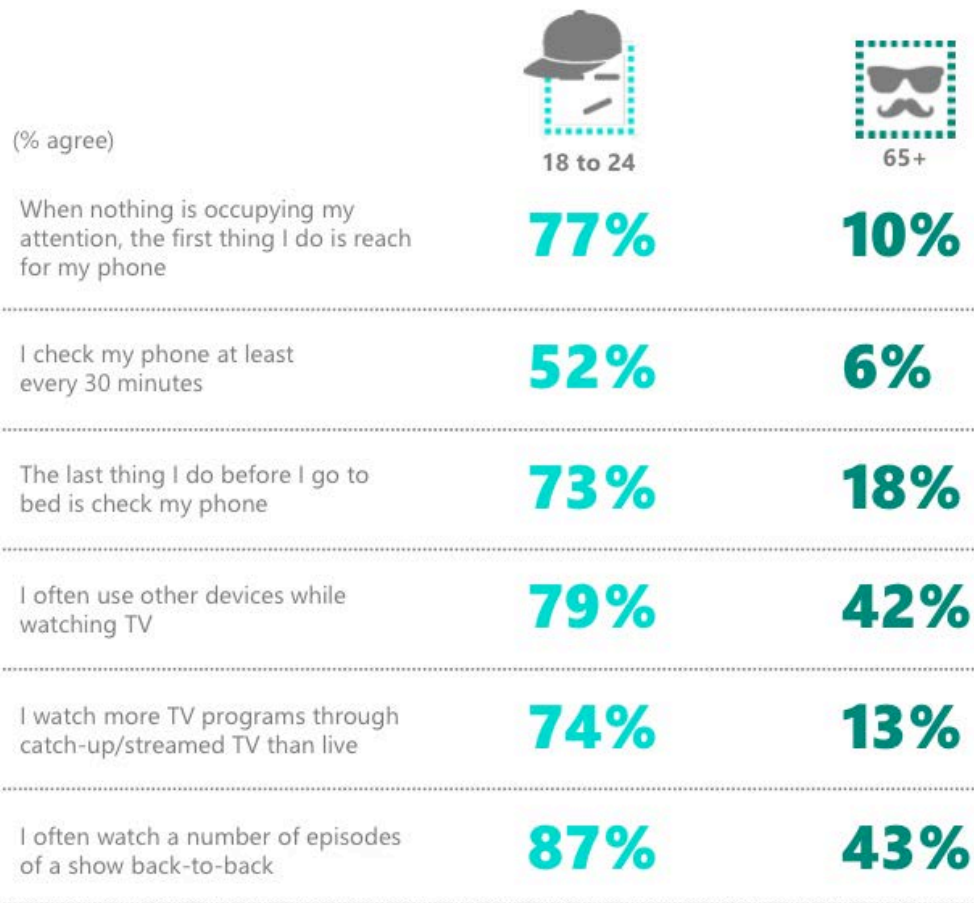
Source: *Pew Research Center* tabulations of US Census Bureau population projections released December 2014, and personal estimates

Implication

*Financial Services Companies
Must Be Prepared to Serve
Multiple Demographic Segments*

Cross-demographic Trends

Addictive technology behaviours are evident, particularly for younger Canadians



Source: Microsoft



A major cultural divide between market segments

Generations
(age range as of 2015)

Birth year of
oldest member

- | | | |
|---------------------|-----------|------------------------|
| - Silent | (70+) | 1945 or earlier |
| - Boomer | (51 – 69) | 1946 |
| - Gen X | (35 – 50) | 1965 |
| - Millennial | (18 – 34) | 1981 |
| - Gen Z | (5 – 20) | 1995 |



A major cultural divide between market segments

Generations (age range as of 2015)	Birth year of oldest member
- Silent (70+)	1945 or earlier
- Boomer (51 – 69)	1946
- Gen X (35 – 50)	1965
- Millennial (18 – 34)	1981
- Gen Z (5 – 20)	1995

Netscape IPO: 1995



A major cultural divide between market segments

Generations (age range as of 2015)	Birth year of oldest member	Age of oldest member at Netscape IPO
- Silent (70+)	1945 or earlier	50 or older
- Boomer (51 – 69)	1946	49
- Gen X (35 – 50)	1965	30
- Millennial (18 – 34)	1981	14
- Gen Z (5 – 20)	1995	0

Netscape IPO: 1995

The Bigger Picture

*Millennials are different from
Silent + Boomers + Gen X, but
Gen Z is different from Millennials*

Millennials Compared with Gen Z

GENERATIONAL IQ

GEN Y vs. GEN Z

COOL PRODUCT vs. COOL EXPERIENCE

Zs would prefer a cool product over a cool experience

GEN Z: 60% vs. 40%

but Ys would prefer a cool experience over a cool product

GEN Y: 77% vs. 23%

How they want brands to reach them:

-  Email: Ys-43% Zs-33%
-  Social media: Ys-29% Zs-34%
-  Online ads: Ys-16% Zs-28%
-  Regular mail: Ys-16% Zs-13%
-  Outdoor ads: Ys-9% Zs-14%

Millennials Compared with Gen Z



BRANDED GAMES

GEN Y 46% vs. GEN Z 23%

Ys are far more likely than Zs to wish that there were more branded games for them to play



FAVORITE WEBSITE

GEN Y: amazon.com

GEN Z: YouTube

PURCHASING PREFERENCES BY GENERATION

BUY vs. DIY

- + Buy: Gen Y 63% vs Gen Z 55%
- + Gen Y is more likely to want to buy than Gen Z

UNIQUE vs. POPULAR

- + Unique: Gen Y 63% vs Gen Z 57%
- + More of Gen Y prefers unique vs Gen Z

Source: Deep Focus Cassandra Report via Adweek 3/31/15

Millennials Compared with Gen Z

ADS THAT CAPTURE ATTENTION



+ Ads that include celebrities/athletes

GEN Y: 20% GEN Z: 27%



+ Ads that create an emotional connection

GEN Y: 31% GEN Z: 20%

Source: Deep Focus Cassandra Report via *Adweek* 3/31/15

The Bigger Picture

*Millennials are different from
Silent + Boomers + Gen X, but
Gen Z is different from Millennials*

Implication: three targets, not two



A Complex Challenge for Systems

Multiple, heterogeneous user groups

A Complex Challenge for Systems

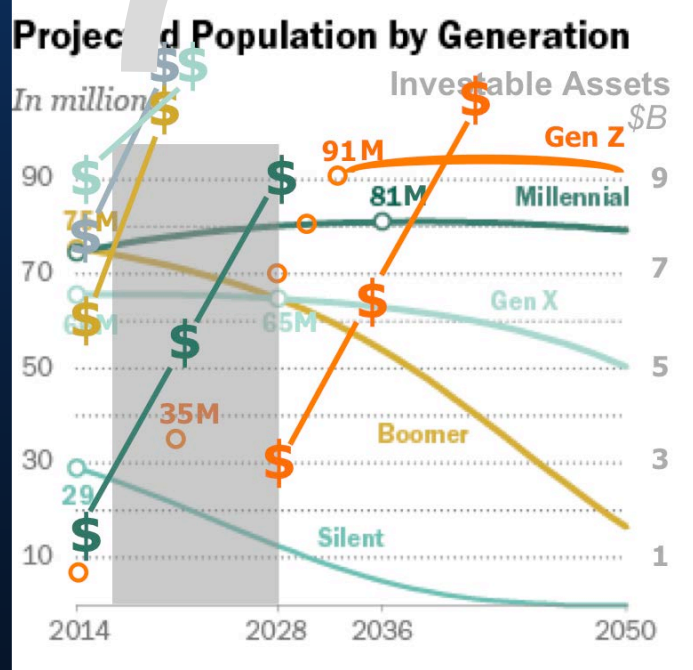
Multiple, heterogeneous user groups increase degree-of-difficulty in:

- Strategic Planning**
- Resource Allocation**
- Risk Management**

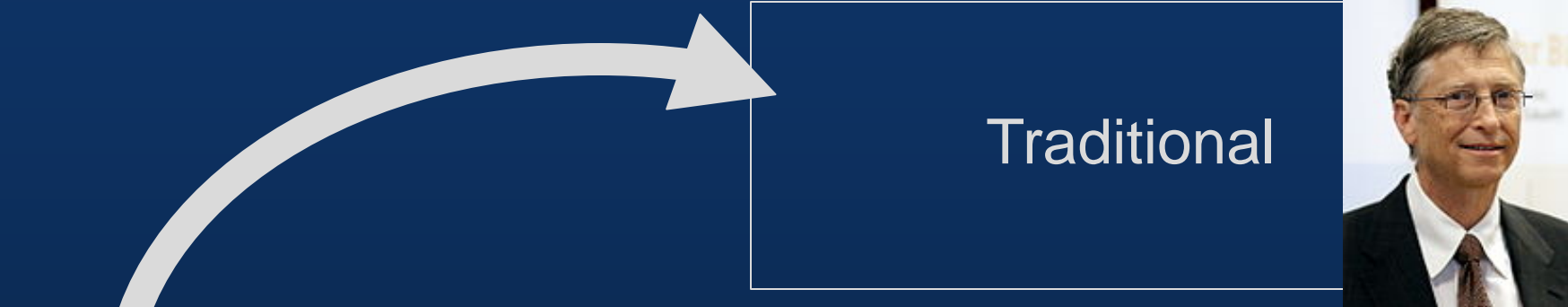


Strategic Planning with The Bigger Picture

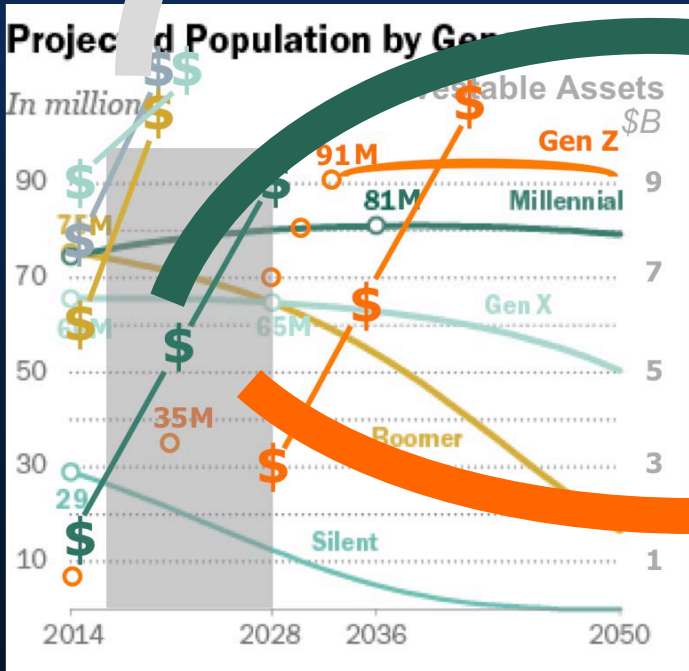
Traditional



Strategic Planning with The Bigger Picture



Strategic Planning with The Bigger Picture



Traditional

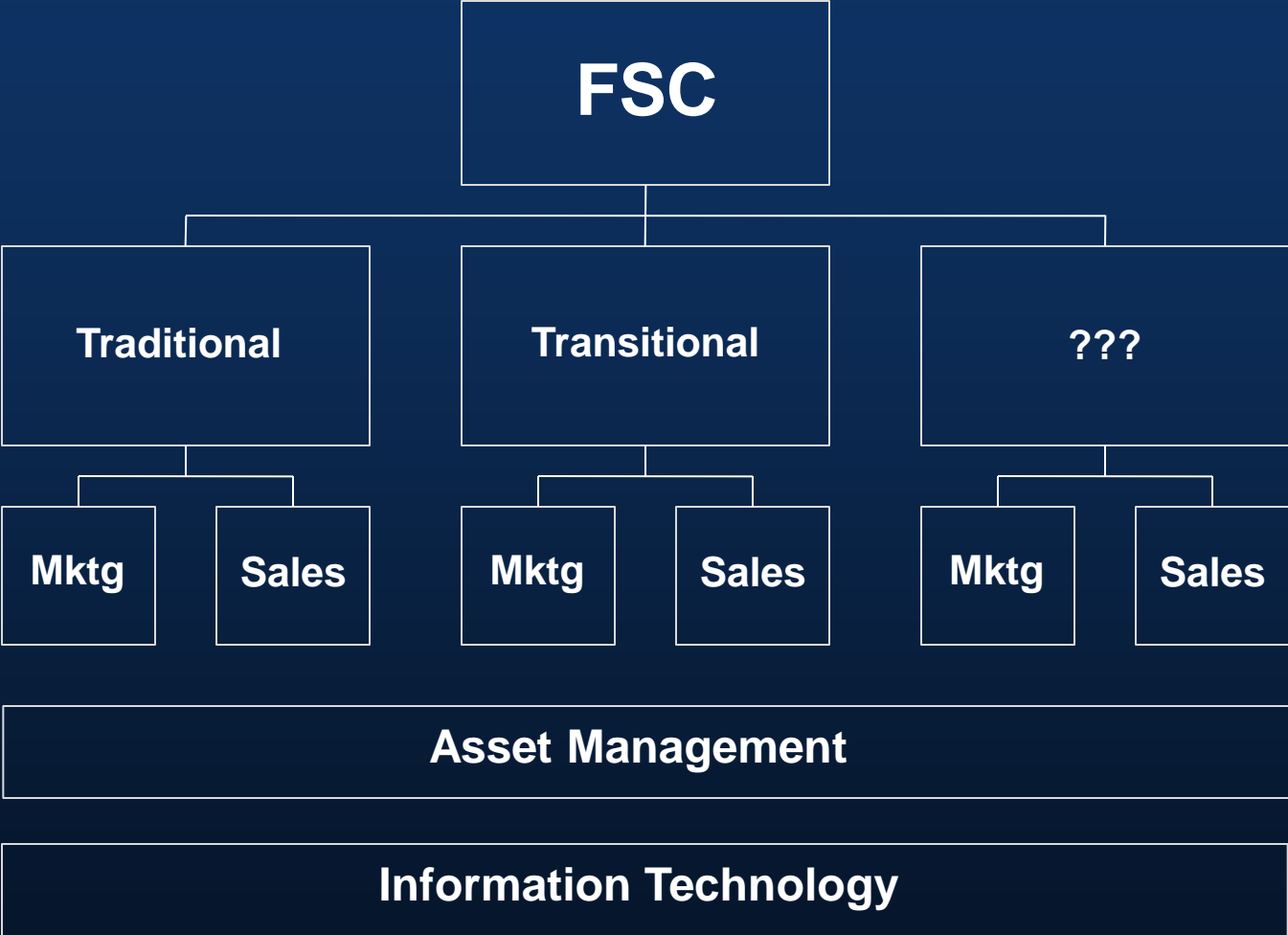


Transitional

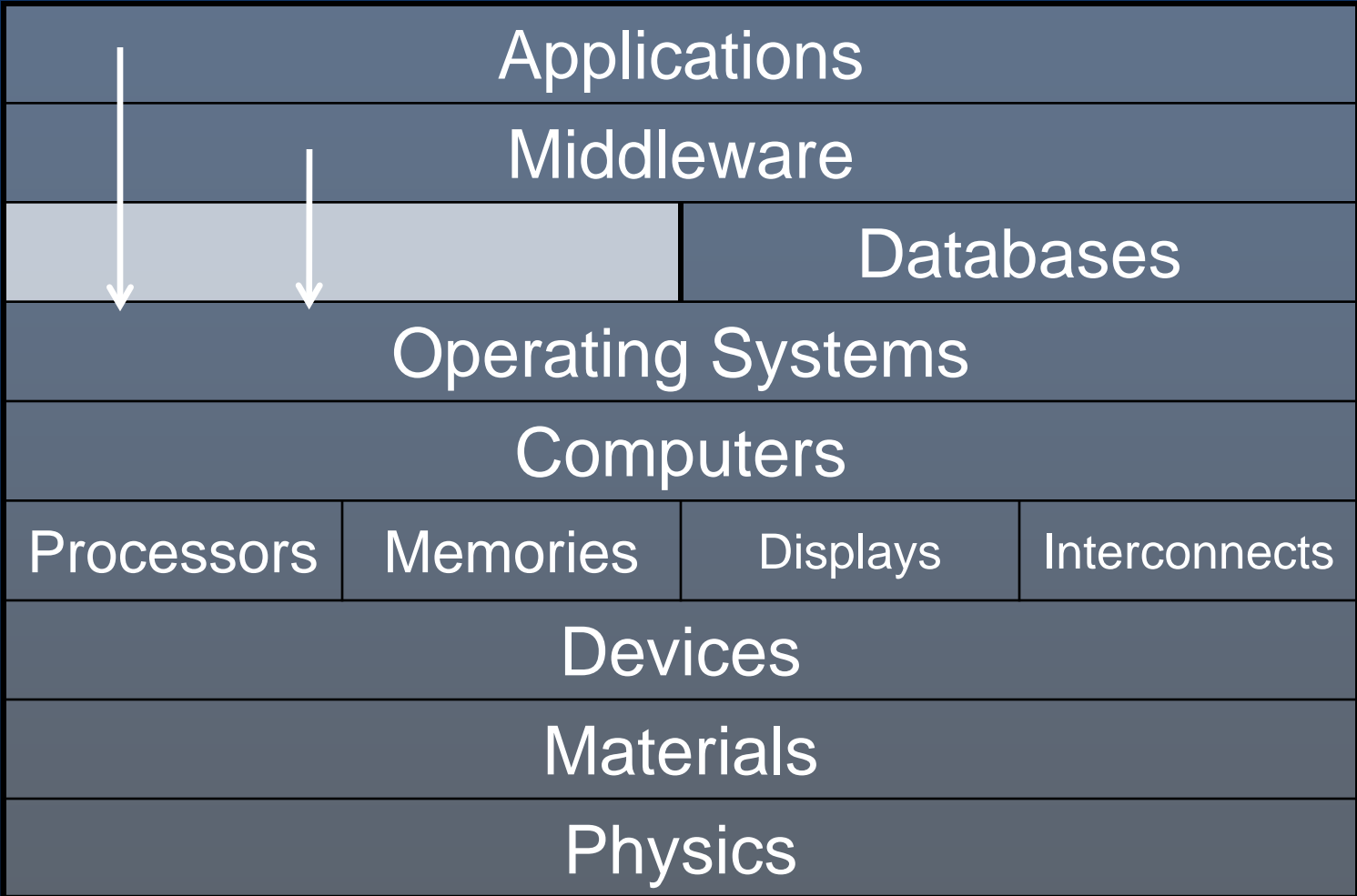


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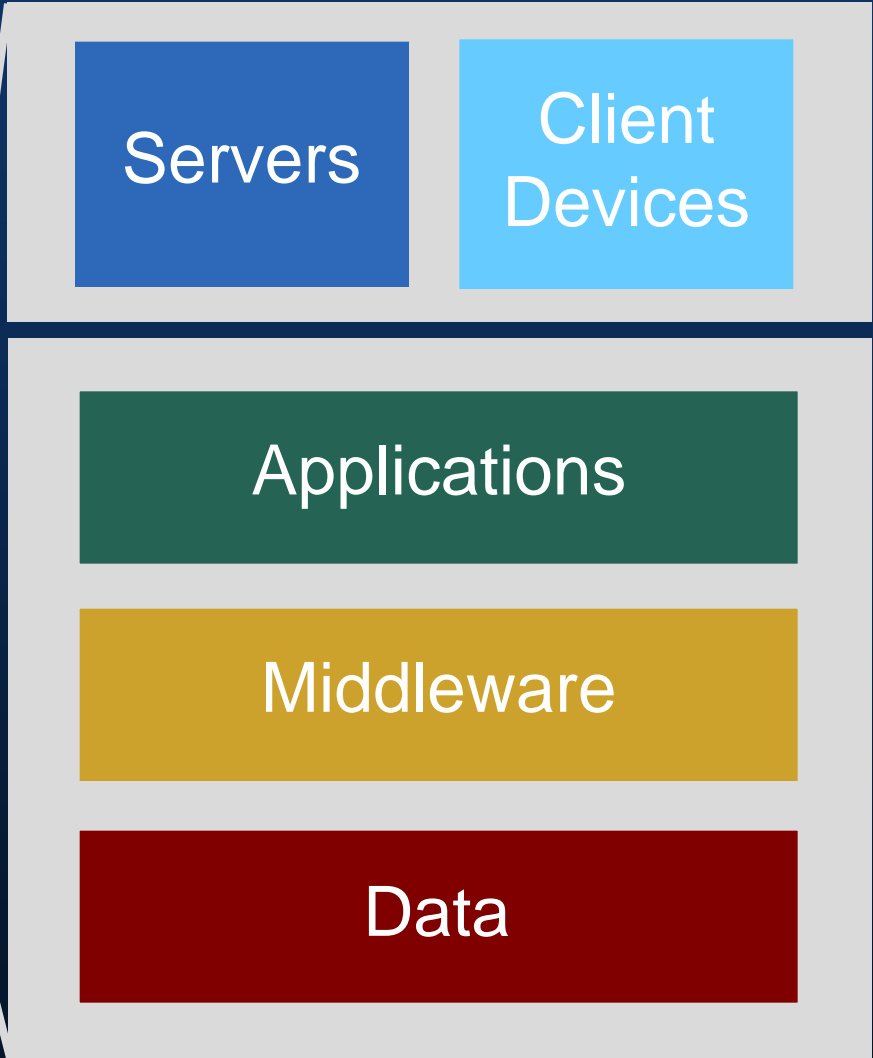
Organizational Implications of The Bigger Picture



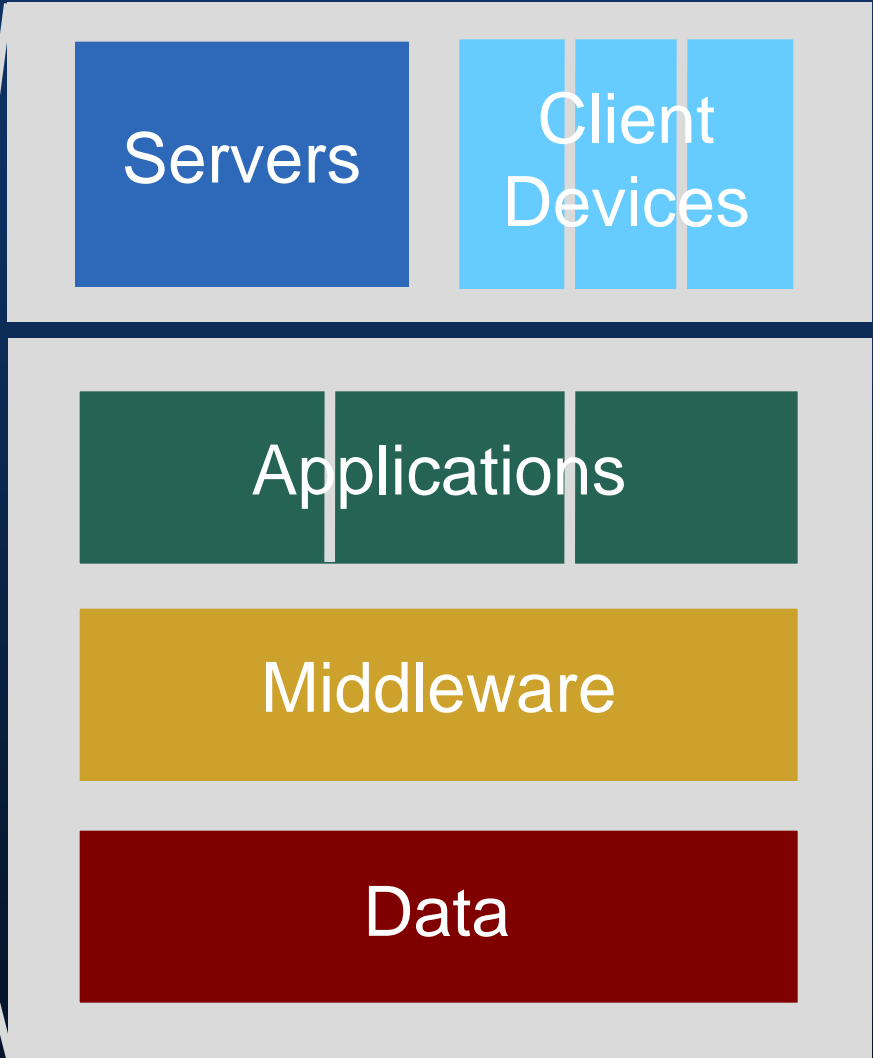
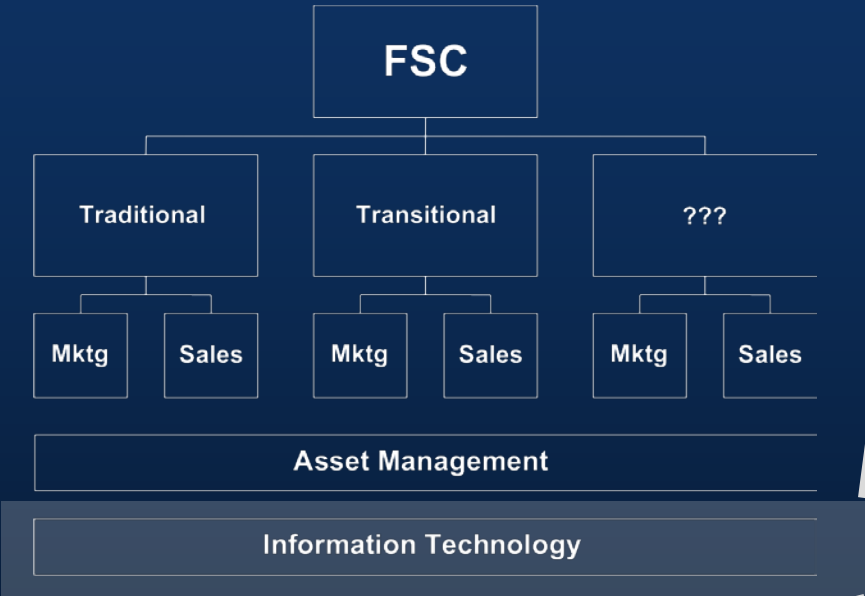
The Lou Mazz IT Uber Stack



IT Implications of The Bigger Picture



IT Implications of The Bigger Picture

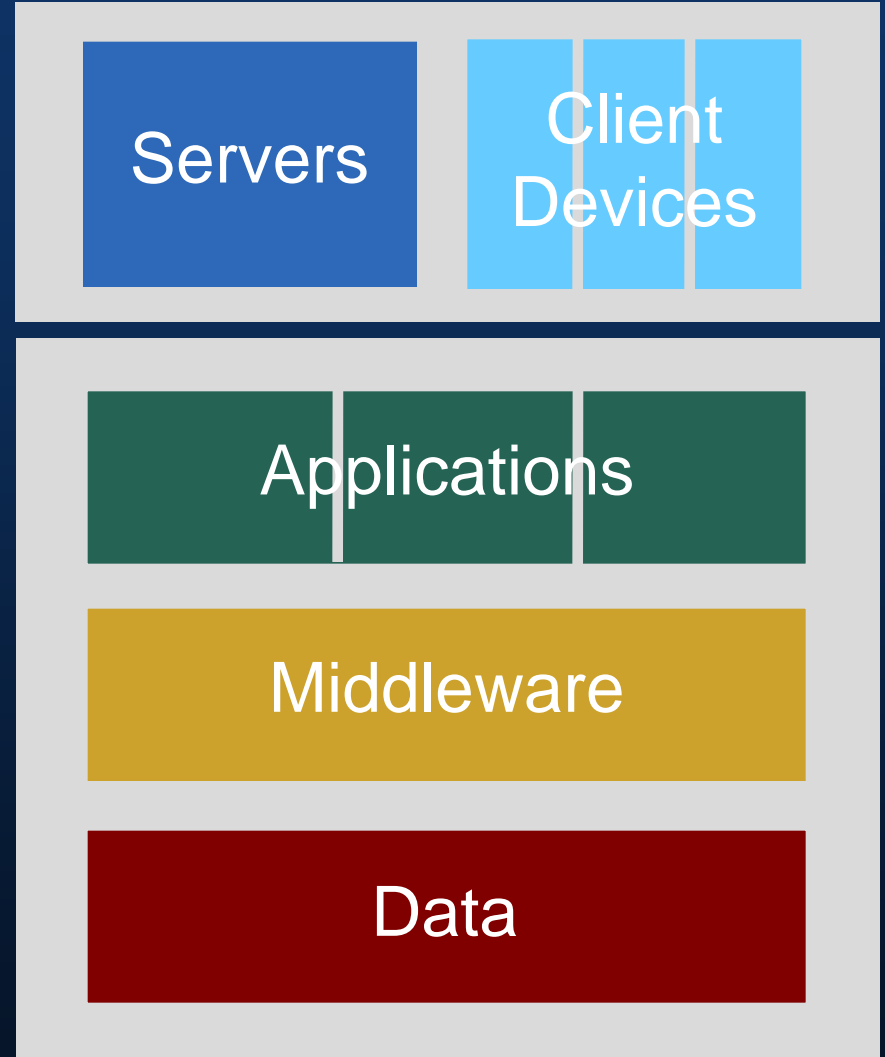


IT Strategy to Support the Bigger Picture



Variability

Low

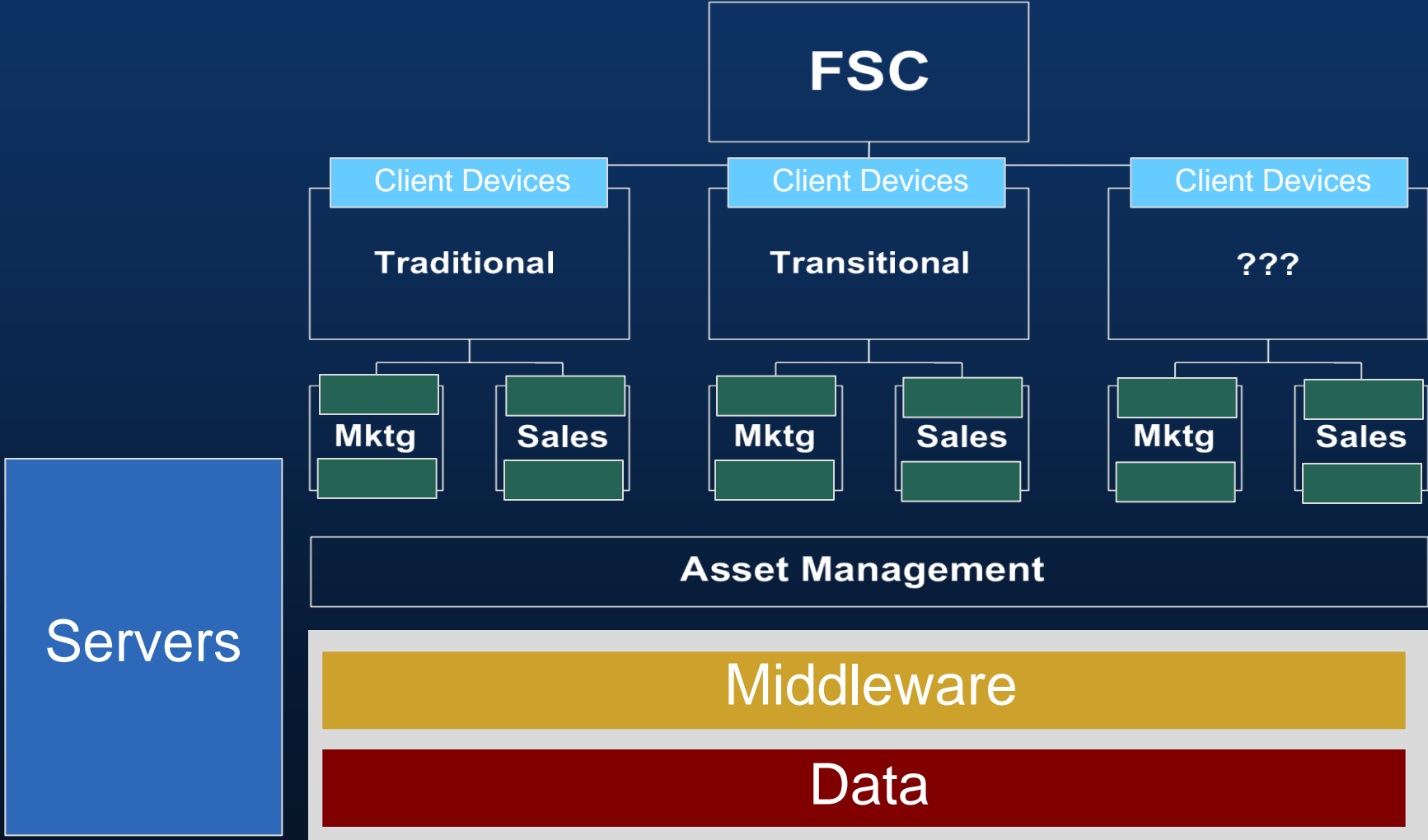


Variability

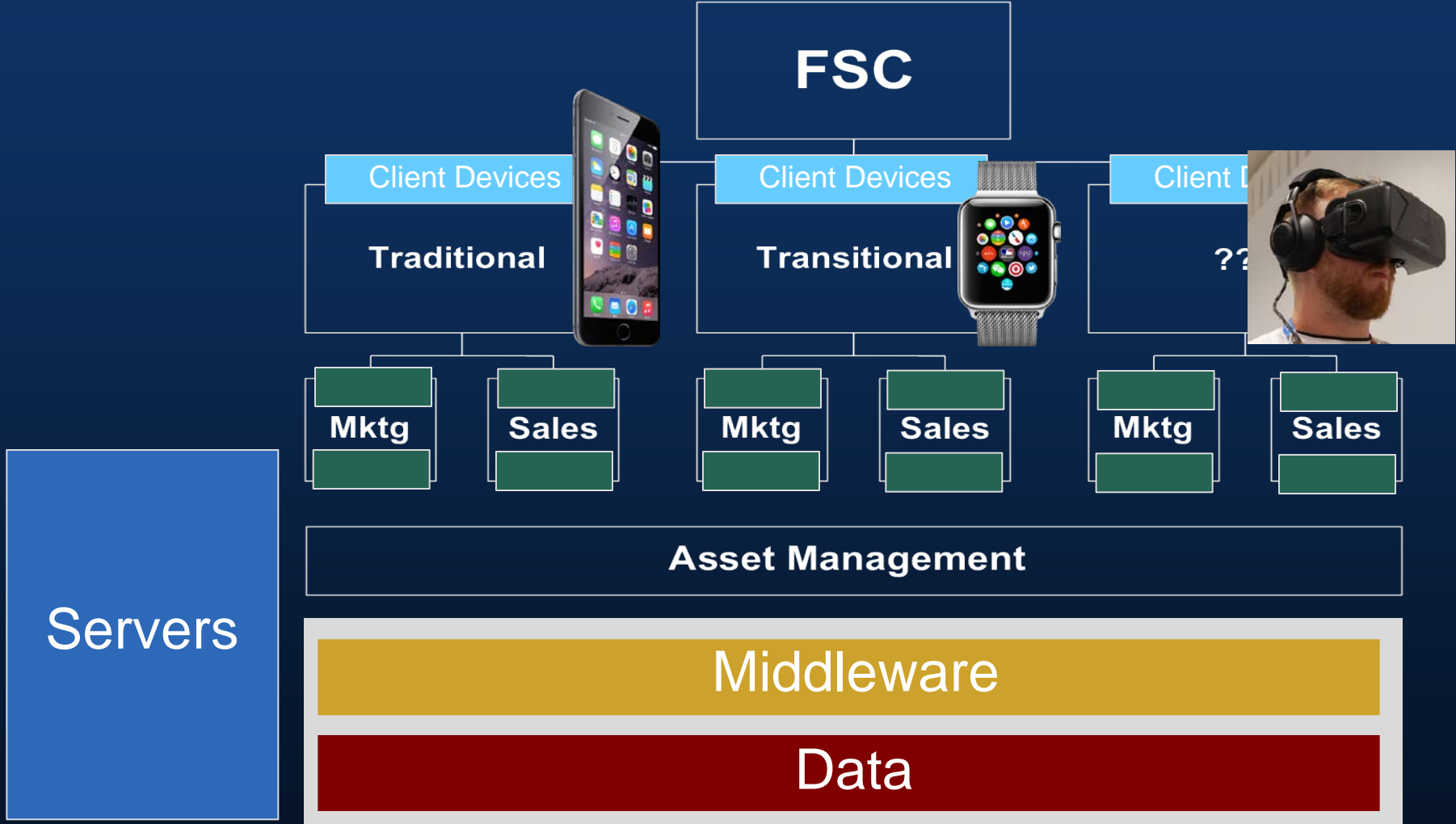
Low



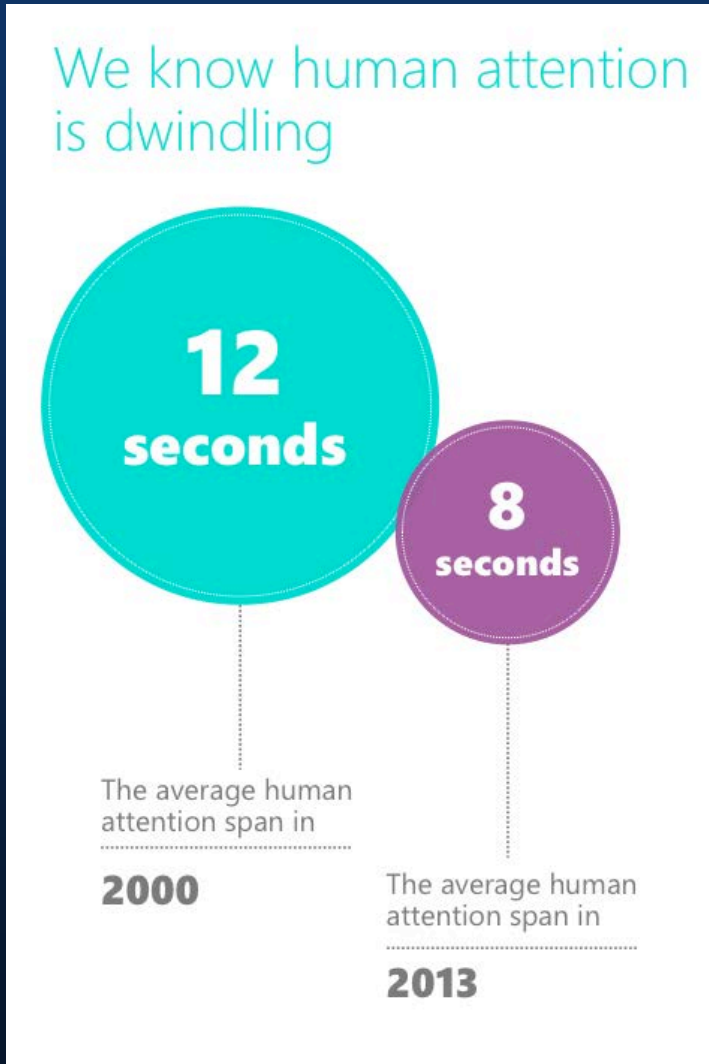
Organizational / IT Implications of The Bigger Picture



Organizational / IT Implications of The Bigger Picture



But wait...

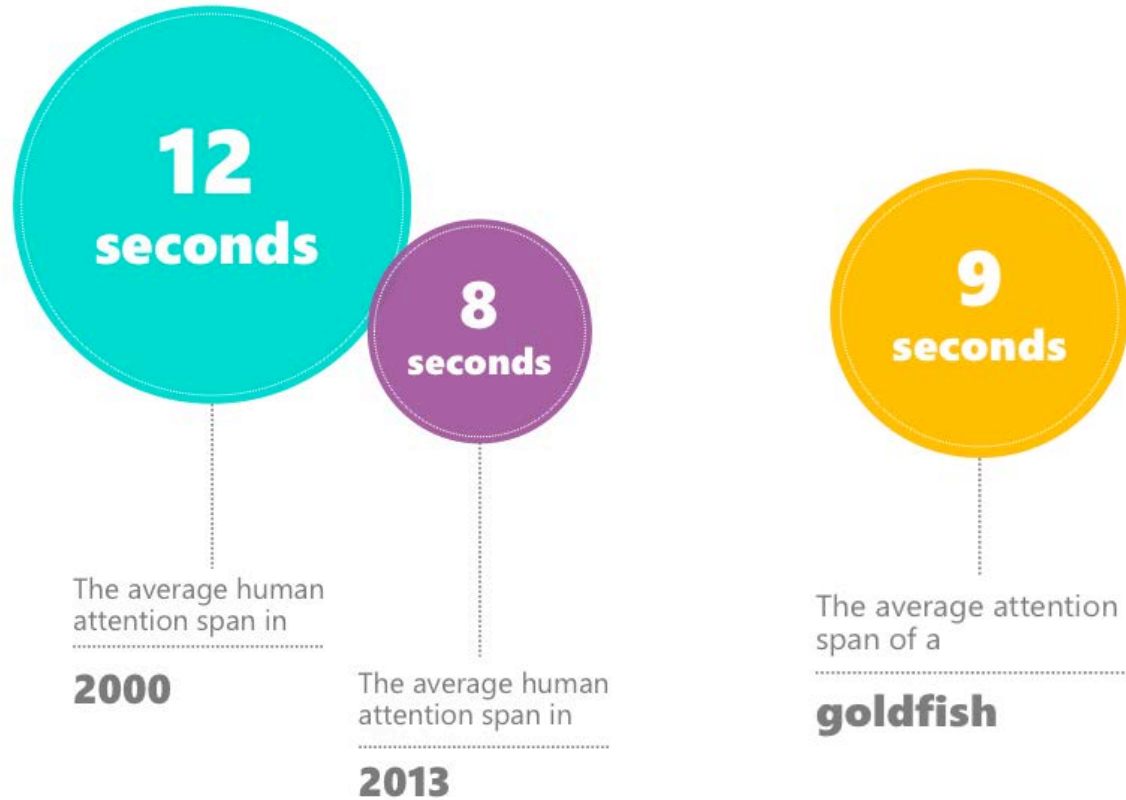


Source: Statistic Brain



But wait...

We know human attention is dwindling



Source: Statistic Brain



...and this just in

***Millennials turned off by
the new chip credit cards***

- YAHOO! 10/19/2015

Why?

*Since customers will eventually no longer pay with a swipe of a card, the “process can take as long as **4 or 5 seconds** so it’s really slowing the transaction down”*

- YAHOO! 10/19/2015

Summary

- *Millennials attracting a lot of attention*
- *Investable assets versus spending power*
- *Multiple (very different) target segments*
- *Organization design critical*
- *Application design critical*
- *IT architecture must not be driven by shiny objects*

Gracias

Questions & Comments

Vol. 28, No. 8
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"We've got plenty of technology forecasts for the next three to five years. What kind of world can we imagine if we stipulate all that and use it as a baseline?"

— Lou Mazzucchelli,
Guest Editor

What's Over the Technology Horizon?

Opening Statement by Lou Mazzucchelli	3
Toward a Sustainability-Conscious Model of Technology Consumption by Nagendra Kumar and Pradipta Chakraborty	6
4D DNA Printing: High-Level Manufacturing of Nanomaterials by Carl Adams	14
The Future of Energy-Aware Software: The Case of Drones by Luis Corral, Ilenia Fronza, and Nabil El Jolli	19
Shared-Screen Experiences in 2025 by Neil Roodym	24
Five Enablers of Web Ubiquity by Steve Andriole	30

What's Over the Technology Horizon? Lou Mazzucchelli, Guest Editor

IT Executive Education +

Seminario: "Extracting Business Value from Digital Data Streams" con Gabriele Piccoli

18 de Noviembre, 2015 - Ciudad de México



Executive Education on IT leadership and emerging trends.
Continuous professional development and personal enrichment
through the year.

Vivimos en un mundo en el que la actividad humana es monitoreada y grabada de manera continua. Numerosos sensores y la interacción a través de computadores para las actividades del día a día, generan flujos de datos digitales en cantidades masivas; datos que las empresas pueden usar para construir estrategias en tiempo real y de largo plazo.

Este taller se enfoca en el inevitable crecimiento de los flujos de datos digitales. Empleando ejemplos de industrias diversas, se discutirán las estrategias para la extracción de valor que las organizaciones más vanguardistas están introduciendo para generar ganancias de esta tendencia



Acerca de Cutter Consortium

- Cutter Consortium es una firma única en su tipo, integrada a partir de una red de colaboración de más de 150 expertos practicantes, mundialmente reconocidos en el ámbito de las Tecnologías de Información, comprometidos en la generación de consejos críticos, objetivos y de alto nivel.
- Nuestra misión es, a través de servicios de consultoría, educación ejecutiva y de acceso a nuestra base de conocimiento, ayudar a las organizaciones en el logro del éxito empresarial, la innovación y la generación de ventajas competitivas a partir del uso de las Tecnologías de la Información.
- Nuestra propuesta de valor consiste en proporcionar a nuestros clientes Acceso a los Expertos, los más destacados dentro de su área de especialidad y que han estado en campo, al frente de organizaciones y/o proyectos de TI. Su consejo deriva de la experiencia acumulada durante décadas y de las lecciones aprendidas al haber enfrentado algunos de los problemas más críticos para las TI.
- Cutter promueve la reflexión sobre las TI alentando el debate y la colaboración entre líderes de diferentes dominios, países y disciplinas; los pensadores más destacados del binomio TI-Negocios.



Cutter Consortium América Latina
Retorno 30 No. 2 Col. Avante
Coyoacán, D.F.
C.P. 04460
Tel. 55-5336-0418
contacto@cutter.com.mx
www.cutter.com.mx
 **@cuttermexico**
 **cuttermexico**