

Rewired

Outcompeting in the Age of Digital and AI

What this book is about

Rewired answers the “how” question for executives looking to drive a digital and AI transformation that delivers business-altering value.

This guide is for leaders who are ready to roll up their sleeves and take the steps required to undertake a successful transformation. It’s the same manual our McKinsey teams around the world use when working with our clients on their digital and AI transformations. *Rewired* translates McKinsey’s lessons learned into a proven how-to guide.

The book has six sections, each of which focuses on an essential enterprise capability. No digital and AI transformation can be successful without addressing all of them. We also include a seventh section that explores how three companies navigated their digital and AI transformation journeys. At a high level, these sections cover:

Section One: Creating the Transformation Roadmap

A critical first step of digital and AI transformations is aligning leadership on a North Star vision that reimagines the business through the lens of technological opportunity. The subsequent decisions are translated into a detailed digital roadmap that focuses the effort, clarifies the new capabilities needed, and identifies the value. We explain how to build that roadmap, and determine what new capabilities are needed.

Section Two: Building Your Talent Bench

You can’t outsource your way to digital excellence—companies need their own, high-quality digital talent to build and evolve their proprietary digital solutions. We detail how to develop a talent roadmap based on the skills needed to support a business’ digital aspirations, including how to create an environment that attracts and retains the right talent by allowing them to thrive and do their best work.

Section Three: Adopting a New Operating Model

Choosing the right operating model is critical to realizing your digital aspiration. This section helps leaders understand the operating model choices— digital factory, product and platforms, or enterprise-wide agility—and what the key considerations are for each of them. This section also highlights how to establish and scale two core digital capabilities: product management and user experience design.

Section Four: Technology for Speed and Distributed Innovation

Speed is central to digital and AI transformations. This section explains how to build a distributed technology environment that makes it easy for hundreds, if not thousands, of teams to provision the services they need to quickly build digital and AI solutions. We cover DevSecOps (developer security operations), MLOps (machine learning operations), and other software engineering practices that enable the developer velocity, code quality, and peak live operational performance companies need.

Section Five: Embedding Data Everywhere

Data is the fuel companies need to innovate and generate value. This section reviews the steps required to architect data to produce high-quality insights in easily consumable formats that allow data-driven decisioning and the deployment of AI. We explore how to develop and deploy data products (data packaged into easy-to-consume formats for other applications) in a way that provides the greatest benefit to the business. This section also examines how to best address the often-tricky data governance and organizational issues that often occur.

Section Six: The Keys to Unlock Adoption and Scaling

A common misstep in digital and AI transformations is investing in initial solution development without focusing enough attention and resources on driving user adoption and scale. This section addresses these change management challenges, focusing on how to manage the technical, organizational, and behavioral factors needed to keep the transformation on track and ensure it delivers its full value.

Section Seven: Transformation Journey Stories

We finish the book with an in-depth look at the digital and AI transformation journeys of three companies: Freeport-McMoRan (a mining company), DBS (a bank), and the LEGO Group. Their stories show how the six transformation elements covered in this book come together, from how they built up their capabilities to how they captured value.

What this book is ... and isn't

Don't expect a coffee table book with quotable stats about digital and AI transformations. We feature instead practical artifacts—McKinsey frameworks, process flows, technology architecture diagrams, workplans, how-to checklists, and team staffing models, among others—that are the tools necessary for success in this work.

This book is for leaders and practitioners who are responsible for shaping and executing their company's digital and AI transformation, including CEOs, C-suite members, and business unit or functional principals.

We also wrote this book for executives who may feel frustrated and confused by digital and AI transformations. *Rewired* breaks down the issues and covers what leaders need to know to be effective in deploying digital technologies in their business. Rather than focus on any one specific technology, we explore the larger technology concepts that allow digital and AI transformations to achieve their goals.

Similarly, this book does not focus on specific digital or AI solutions since every industry has different paths. In the consumer packaged goods industry, for example, revenue management solutions are critical to commercial performance. In mining, it's solutions that focus on maximizing process yields. Rather, this book examines how to identify *which* technology and digital solutions are needed, and then *how* to go about building and deploying them.

As we all know, digital is a fast-moving field and the state of the art is constantly evolving. Indeed, this book is based on the fourth generation of our own internal playbook at McKinsey, which we update approximately every 18 months. We will similarly update this book to stay current and provide a clear sense of how the field is evolving from the practitioner's standpoint.