

# **Strategy Impulse**

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## **Digital North Pole**

The time for Christmas preparations has come. Soon, online shops will be flooded with mail orders for Christmas gifts. Meanwhile even Santa Claus considered digital transformation. Early this year he started a huge project called "Digital North Pole". He introduced some new processes:

- A huge database collects every case of nice and naughty behavior of every child in the world. This way, every child gets a nice/naughty profile.
- Every wish list is scanned on arrival. By analyzing the handwriting, every child gets identified, and the full name and address of the child is added. An algorithm combines these data with the nice/naughty profile. Only the wish lists of nice kids will go into further processing. Wish lists of naughty kids are forwarded to the archive right away.



- Production is based on these data. It will only start to produce toys for nice children.
- In addition, the reindeer stable was digitalized. A platform was integrated into the floor and now measures weight and need of energy of every reindeer. This way, food will be portioned precisely. Food cost should be lowered considerably. Every reindeer got an individual fitness schedule. Data on weight and fitness program go into an app. Smart straps around the hooves measure if the reindeer follow the guidelines.

With these actions, Santa Claus has arrived in the digital world. Nonetheless, in the evaluation period, it became clear that "Digital North Pole" would not work. These are the reasons:

- Being the head manager of the enterprise called "Christmas", Santa made all decisions by himself. He never asked his employees – better known as elves. The considerable knowledge on future toy trends and the experience of the elves remained unconsidered in the project.
- The data base showed that only a few children would get any presents. The algorithm put
  the respective profile to "naughty" for three or more cases of naughty behavior, and then
  remained in the "naughty mode". It was not programmed to forgive and delete the naughty



cases.

• The reindeer stopped eating. An expert on reindeer psychology had to be hired. He found out that the animals suffered from a lack of appreciation and trust. As a result, they had decided to go on strike. The planned transport of Christmas gifts by sleigh was at risk.

It was clear that a short-term change was necessary. Santa Claus formed a strategy team with the most experienced elves and some representatives of the reindeer team. They found out that the production facilities managed with the new technology would save a lot of work - only the database would have to be changed: Using nice and naughty data of the past would not be enough.

From now on, the elves do the data processing. Soft factors such as "being sorry" and "forgiving" are considered when creating profiles. New trends on the toy market are followed and used for the system.

The reindeer are back to work. Their goal is "getting fit for the Christmas night". It is completely up to them how they reach this goal. However, they want to keep the smart straps and plan little competitions from time to time – but just for fun.

By the way: Now as Santa Claus, the elves and the reindeer have agreed to work on all future developments as a team, the working atmosphere at the North Pole has never been better. And so all of us can hope for a wonderful Christmas with a lot of happy kids.

I wish you all a very Merry Christmas.

#### **Editorial Notes**

#### About the Author

Wiebke Brüssel is a graduate in business administration and managing partner of Strategiebüro (The Strategy Office) in Germany.

We structure and moderate planning processes - including preparation and documentation. From a single question to strategic corporate planning. Our clients are companies and organizations in the private, social, and public sectors, companies at the beginning of their development, and founders.

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