

# IMPROVING OUR BUSINESS MODEL THROUGH DIGITAL INNOVATION

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At SGS, it's essential for us to understand how we can use digital innovation to improve our business model. The special characteristics of digital technologies can catalyze our innovation, allowing us to develop in ways we have not seen before. We can use digital technologies to build a foundation that supports the creation of value in previously untapped areas. Therefore, it is imperative we understand how digital innovation will create value for SGS.

## How can innovation create value?

There are three ways to create value through innovation. By default, innovation always starts with the user. An innovation that is not being used is merely an idea. It is only when innovation solves a problem for the user that it creates real value.

The second way involves being innovative in how value is delivered. When Apple created the iPod, it also created the iTunes store so that users could easily download the latest songs.

Finally, innovation can be found in how value is captured. For example, we are all using Google but we are not paying for their services in the traditional way. They have found other revenue streams.

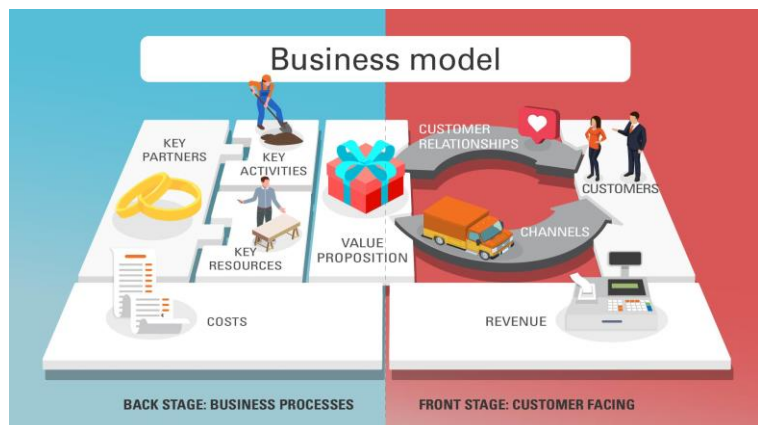
## How can digital technologies help SGS innovate?

The special characteristics of digital technologies allow us to accelerate the rate of innovation, helping us to solve problems we could not solve before.

For example, digital has provided a solution that enables us to connect with people instantly, no matter where we are, so we can be in contact whenever needed.

Digital also provides us with the possibility of connecting to data and to supercomputers in the Cloud that can compute that data. Nowadays when you need a supercomputer, you just connect your mobile phone to the Cloud.

Additionally, by creating something digitally, limitless copies can be instantly produced, at no cost – something that is not possible with traditional products and services.



## How can digital innovation improve SGS's business model?

Digital innovation can be used in both the front and back stages of our business model. In the front stage, it can be used to build new products and services, improve the customer experience and change how we compete through platform strategies and ecosystems. In the back stage of our business model, digital innovation can be used to improve our operations making them more efficient and effective, for example, by automating repetitive manual tasks and enabling decision making to be more data driven.



### An invitation to you.

To start creating value through digital innovation together at SGS, I would very much like to hear your insights and ideas on this topic and invite you to an open discussion. Please reach out to me at [DigitalAndInnovation@sgs.com](mailto:DigitalAndInnovation@sgs.com).

### Siddi Wouters

Senior Vice President Digital & Innovation at SGS