Scaling Disruptive Technologies with BCG X

To BCG's network around the world,

It's unusual for me to write about BCG here, but this week I'm teaming up with my colleague Sylvain Duranton to bring you some big news. We just launched BCG X, a new unit focused exclusively on tech build and design that we believe is a disruptive move for the consulting industry.

BCG X brings together close to 3,000 of our experts in AI, software engineering, digital growth, green tech, and deep tech. This highly specialized talent builds and designs custom digital platforms and software alongside our core BCG teams, a hybrid of tech and consulting that can help companies turn their focus to a few disruptive, high-impact technologies and business builds—and then accelerate them.

Why Is This So Relevant for All of Us?

Over the past 14 months, I've spoken with hundreds of CEOs around the world. Among the many challenges they face, one is consistently high on the list: how to transform the core of the business with digital and AI. Some don't know where to start. Others have started—and failed. In fact, recent research from BCG shows that 7 in 10 digital transformation programs fail to live up to their goals. Problems include slow implementation and missed deadlines, technologies not working as expected and manual processes continuing in parallel, and—in the worst cases—a complete reversal: ripping out expensive products and reverting to analog.

At the same time, CEOs know that they need to leverage digital and AI to stay

competitive. So they keep investing, and in this volatile market context the stakes are even higher. To find success, companies need to do a lot at once:

- **Focus on the highest potential impact**. Select use cases that can meaningfully move the needle.
- **Choose the right tech**. Select carefully among fast-changing, disruptive technologies, including advanced AI, blockchain, and IoT.
- **Scale quickly**. Roll out new digital solutions fast and make the right sequencing and investment decisions.
- **Get the right people**. Enable and recruit the needed digital talent, including software engineers and data scientists.
- **Adapt**. Manage the cost and uncertainty of ROI.

What Does Good Look Like?

It's not easy. And as we know, it's not all about tech. At BCG, we often reference a 10-20-70 rule: 10% of the effort should go toward technology, 20% to the underlying IT infrastructure, and 70% to the processes, organization, and people changes needed to make it work.

BCG teams powered by BCG X bring a unique combination of strategic guidance and custom builds. There is no "digital" and "nondigital" anymore. Digital is in every part of the business: personalized marketing, pricing, supply chains, key general and administrative processes, and many more. The trick is understanding where to focus, building the right technology the right way, and bringing it to life to deliver impact.

The results can be powerful. We have many examples of successful transformations, evidence that with the right setup it's possible to beat the challenging odds. One is from the fashion industry, which is undergoing multiple disruptions, including a fast migration of customer journeys online, the emergence of industry-shaping platforms, and growing consumer demand for more sustainable practices.

BCG X, including experts across our retail, AI, and data and digital platforms teams, partnered with a fashion retailer to build custom AI-in-retail solutions while building foundational data and AI platforms and integrating them into core systems. AI in the retail value chain is now driving material bottom-line impact while also contributing to sustainability objectives by reducing waste through better customer demand forecasting.

One Step at a Time

Transforming a business with AI and digital technologies is daunting. No company has figured it all out, including BCG. What's important is to act rather than waiting for the perfect solution to come, to be responsive to the rapidly evolving context, and to focus on getting a few things right.

For more impact stories, click here. We're excited about BCG X and what we're building. Wherever you are in your journey to digitize, keep it up. The stakes are higher than ever.

Until next time,

Christoph
Schweizer
Chief Executive
Officer

Sylvain
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Global Leader
BCG X

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BCG X

BCG X disrupts the present and creates the future by building new products, services, and businesses in partnership with the world's largest organizations.

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BCG X helped scale AI capabilities across the value chain of a fashion retailer, addressing solutions, a data and digital platform, talent, and culture.

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Greener Supply Chains. Verified by AI and Blockchain

BCG X partnered with the World Wide Fund for Nature (WWF) to launch OpenSC—verifying low-carbon and sustainable food production at the source.

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