

Digital Transformation - How to Beat the Odds with Building the Right Teams



Wade Younger
Managing Partner, Armstrong Wolfe Advisory



ARMSTRONG WOLFE™
Advisory

Digital transformation is imperative for all businesses, from the small cap company to the larger enterprises. That message comes through very loud and clear from seemingly every keynote, panel discussion, article, or study related to how businesses can remain competitive and relevant as the world becomes increasingly digital.

What's not clear to many business leaders is what digital transformation means. Is it just a catchy way to say moving to the cloud? What are the specific steps we need to take? Do we need to design new jobs to help us create a framework for digital transformation, or hire a consulting service? What parts of our business strategy need to change? Is it really worth it?

Because digital transformation will look different for every company, it can be hard to pinpoint a definition that applies to all. However, in general terms, we define digital transformation as the integration of digital technology into all areas of a business resulting in fundamental changes to how businesses operate and how they deliver value to customers.

Beyond that, it's a cultural change that requires organisations to continually challenge the status quo, experiment often, and get comfortable with failure. This sometimes means walking away from long-standing business processes that companies were built upon in favour of relatively new practices that are still being defined. So it's important that you create a phased approach for your project while building your teams that will drive the transformation.

The Introduction Phase

The Introduction Phase is the first phase of the transformation program. The goal of the Introduction Phase is to establish a common framework. An approach to digital strategy and transformation that everyone is involved in the effort, understands, and supports the endeavour.

The Armstrong Wolfe approach is designed to support the client. In the Introduction Phase, we will provide a comprehensive view of the building blocks in the market. The discovery process required to support the development of the digital strategy and to introduce the team to the digital core in what the strategic objectives are, as well as to provide insight into the competencies required for digital leadership and why they need to be managed as a mission critical process. And finally, to introduce the team to what is required to develop, support and manage a successful transformation effort.

In addition to providing an overall framework, one of the primary goals of the introduction phase is giving you and the team the ability to surface and discuss differences so that you can clear the way for a successful program. Developing a digital strategy in a transformation program is complex, it's also critical to the future of the client. As the client does the hard work of bringing this topic up of building a team, of making recommendations about the strategy and the program required to implement it, we are going to encounter strong and very different opinions about what needs to get done and how to do it.

This is the intent of the people who are part of developing the strategy and transformation. There is a great need to be on the same page. The ability to execute this with any degree of success will be severely compromised. For the leadership team to be successful, they need to have executive sponsorship to establish this effort as a real client priority and to get agreement from the executives to support them without that there is little chance of success.

To do that, the executives have to understand and agree to the framework the team intends to use to develop the strategy and the transformation program and do the key members of their staff, the executives and the team leaders. For transformation you'll be bringing other people into these efforts. As the strategy and the projects that support it get underway, those project team leaders as well as their teams need to have a clear understanding of how you're doing this work and how you intend to implement the transformation program.

By providing them the same introduction, it puts everybody on the same page. That simple step dramatically improves communication and execution throughout the program. It also creates confidence that if they need anything, you will have a whole team with the same vision and passion.

The Vision

To help the client achieve their goals, don't forget to include the visionary customers in the introduction process, other organisations you want to include or the visionary partners. They can be a critical part of helping you develop and implement the strategy. You will involve more and more people in the strategy and transformation effort. As you move from face to face, it's important to bring those new people up to speed quickly and effectively.

Proposed Digital Vision & Strategy

For internal, customer, and partner review



Executive Director
Digital Transformation



Customer Journey/
Engagement



Product/Service
Ecosystems



Operational Systems



Customer Insight



Technology Insight



Data Enablement



Continual Innovation



Digital Culture

To introduce the concepts of digital strategy and how you're executing the transformation program to the client and how you choose to onboard new program leaders and team members, here are some things you want to make sure they all understand.

First and foremost is that they have a common vision and a shared language about this program, that they understand what the strategic building blocks are and how to use them to guide their own efforts and abilities, so that they know where to focus their passion and their creativity, while giving everyone a clear overview of the program, how it's being developed and executed gives them a clear sense of purpose and a lot more confidence that you and the client will be able to overcome the typical odds and make this program a success. So key takeaways first and foremost you have to build a common vision and language for the program that everyone agrees to and supports.

Next you need to make sure that all of the key stakeholders, the executive staff, the digital transformation leadership team, the customers, and the partners who will help you have this information and insight. Next, as you bring new team members on board, make sure that you integrate them into this, by providing them the same introduction and the same background that everybody else has that allows you to keep momentum building as the digital transformation program gets underway.

Core Team Development

Core Team Development is the second phase in the transformation program. The goals of this phase are to establish and empower a leadership teams, to drive the digital strategy and transformation. That means people who have a passion for this work, who have experience in leadership, and have a deep affinity and understanding of the technology that's driving the change in this market.

Transformation: Digital "A" Team Think "Start Up"

Common vision, shared purpose, holistic understanding.

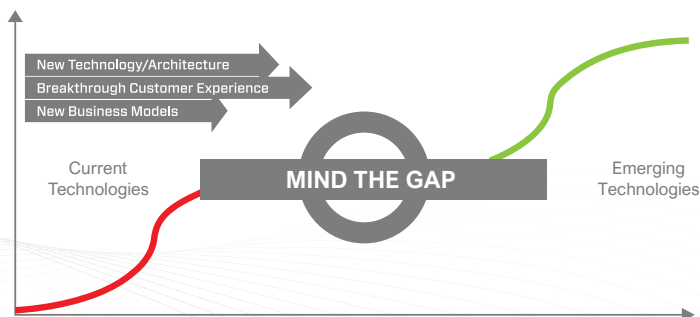


The digital leadership team has two purposes; to lead the client in defining and executing a successful digital strategy and transformation program. The other even more important goal is to build a strong middle and front-line layer of digital leaders that will help the client be successful in the future. Without that strong middle layer, you won't have the bench strength that it takes to sustain leadership. Think of this phase as forming an internal entrepreneurial team to help you build a next generation client.

You want to identify the best team leader as you possibly can. Team leaders who are curious, who are recognized and respected for the impact they have on the client, who are committed to building and contributing to a highly team-oriented effort. People who think strategically, who are willing to experiment, take informed risks and who are consummate networkers inside and outside of the client. People who are passionate about technology and creating value from it for you and the customers. People who bring a spirit of productive joy and fun to the team, especially when things get stressful. People who can communicate clearly and concisely in a way to empower others. People who can be flexible when things change, or alternatives are recommended that are better than their own. People who are decisive. People who are committed to action and know how to get things done for the client. People who can contribute, inspire, and motivate a diverse team.

Not everyone can lead transformation, so don't staff the team with prima donnas or put people on the team just because they're an executive but bring little to it, in terms of insight, knowledge or passion. You need people that are future and action oriented and that are capable of seeing things in a brand new light.

Once those team leaders have been identified, they need to be given the opportunity to go through the entire plan of the digital future program, preferably as a team. At this point, share their knowledge, perspective, and insight on their areas of expertise and on digital strategy and transformation, as well as identify and address gaps in their knowledge. Their skills and experience augment those by finding others who have those skills or by developing those skills themselves that shared understanding and experience dramatically improves their ability to work quickly and effectively and successfully.



As part of this phase, we also will identify opportunities to immerse more deeply into the communities that are surrounding the key technologies that are important to you, the client and the customers. Those can be conferences, local meet up groups or sitting down with industry experts. The other thing these teams will need is to be well versed in digital management practices. Those include the Agile lean start-up concepts. If the team isn't familiar with these, they should be trained on those as part of this phase. The other thing I would recommend is that they be given an Agile coach to help guide them as part of the team building.

In this phase, the team will pull together an initial assessment of the resources and activities within the client that can support the digital strategy and transformation effort. That information will be used to define the priorities and activities in the next phase which is Discovery.

For the digital leadership team to be successful, they need to have executive sponsorship that establishes this effort as a real priority and proactive support from the stakeholder executives. Depending on the size of the organisation and the level of effort required to establish the strategy and implement the transformation effort, you may also want to include team representatives from each of these stakeholder groups.

The Discovery Phase

The objective of Discovery is to develop an initial assessment of the company's opportunities, strengths, and priorities. The Discovery phase covers what's involved in customer and ecosystem Discovery and what's involved in conducting an internal SWOT analysis and what the outcomes of what analysis.

SWOT

Evaluate internal capabilities.



Daniel Boston Orson was a professor at the University of Chicago at Cambridge and won the Pulitzer Prize. His quote "The greatest obstacle to Discovery isn't ignorance, it's the illusion of knowledge." This is really important for the transformation team to keep in mind as they go about the process of Discovery. Many companies go into the market, not to discover, but instead to validate what they already believed and that's a recipe for disaster. We've seen examples of that from Kodak to Blackberry to the booksellers.

For Discovery to have any value, it has to be exceptionally objective. During Discovery, the team will identify those customers, develop profiles of them, and their digital transformation strategies. They will also assess which of those customers will make good strategic partners. The team will also identify the technologies digital ecosystems, trends and the key players that are shaping the industry.

For the visionary customers, they will then use that insight to help define and assess the impact of those findings on industry and customer value chains. And by combining insight about visionary customers, digital ecosystems, and industry value chains, they can develop an initial assessment of the market opportunities requirements and competitive activity. That would be critical to helping them form a strategy.

During Discovery they'll also do a preliminary S curve analysis that looks at how incoming technology will impact the relevance and value and competitiveness of the existing product's marketing and operational systems.

Digital Core

How will global transformation impact your strategy & requirements?



Customer Journey/Engagement



Operational Systems



Product/Service Ecosystems

Their findings and recommendations will then be broken down to a departmental level so that they can discuss their findings with stakeholder departments. Once that information has been pulled together, the team will work with stakeholder groups in the client to assess strengths, weaknesses, opportunities, and threats to refine their initial prioritization.

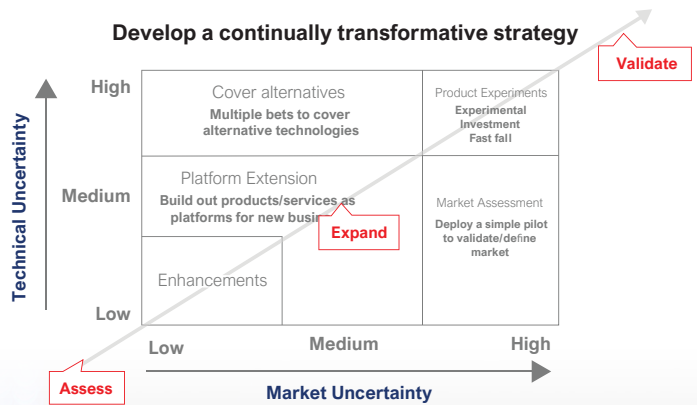
When we're done the team will be able to discuss the goal and what it takes to make it successful. From the Discovery phase, to define an initial client vision and strategy for digital transformation. This is where we will develop a compelling vision that aligned the company's capabilities and strengths with high growth opportunities and requirements.

We will also develop a scenario based digital strategy guided by that vision. Then translate that overall strategy into actions for the products, marketing, and the customer journey, as well as the operational systems.

Additionally, they'll develop strategies to bring to light the core competencies of digital leadership within the organisation, align their priorities and focus with the overall vision and strategy. Success requires an integrated strategy that provides direction and surface is the interdependencies between the key strategic efforts.

S-Curve Analysis

SWOT of existing products and systems.



The Identification Phase

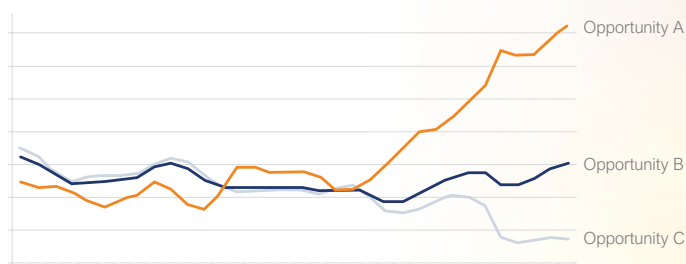
Identification is the fifth phase. In the Identification phase, the team reviews the findings from Discovery and the initial vision and strategy developed in the previous strategy phase with internal stakeholders, customers, and partners to refine and prioritize transformation initiatives. When we're done, the team will be able to discuss the goals of the identification phase and what's required to make it successful.

The goal of this phase is to identify major topic and initiative areas that will be used to engage the client customers and partners and establish engagement teams that will be driving those initiatives forward. To make a real difference in the market challenge, the teams need to prioritize and focus on those things. By actually doing that you focus on the things that count and stop wasting time on things that just slow you down.

The proposed vision and strategy developed in the last phase is brought forward into this phase. Those will be reviewed with the various stakeholders, the client and some of the visionary customers and partners that you've identified. They will also validate on a broader level the assumptions made about the high value customer outcomes and experiences and the value and urgency customers placed on the proposed initiatives.

Identification Phase

What value does it create for your company in terms of revenue and growth?



The team will also do an initial business evaluation in this phase to determine the growth potential that proposed projects and initiatives, represented the client, as well as the savings and increases in effectiveness those will create. They also will do a deep dive in conjunction with stakeholder, departments, and customers to determine which of the technologies identified have the greatest value and impact on the opportunities, requirements and strategy findings and recommendations from those discussions.

Analysis will then be used to refine the initial vision strategy and translate it into a prioritized and organized list of projects and topics. That will guide the work of the next phase which is Engagement. The keys to success in this phase include making sure that stakeholder department and customer input have been included, and that the proposed initiatives and projects have been evaluated and prioritized.



The Engagement Phase

The Engagement Phase kicks off a deeper level engagement across the client as well as with customers and partners in preparation for the Development and Transformation phases. At the end of this section you and the team will be able to discuss the goals of this phase who will be involved and what the primary deliverables will be. This is the sixth phase in the transformation effort and it's this phase in which you build interest, desire and engagement that motivates people across the client to become part of building the digital future.

The Engagement Phase goals are to build momentum for digital transformation across the client by developing and implementing a client wide engagement plan, which includes an engagement campaign, a portal that hosts information, status about the transformation and a client kick-off and planning meeting. This phase will involve the Executive department, Leadership and key staff customers, partners and transformation leaders and members. Without a compelling cause our employees are just putting in time. Their minds might be engaged but their hearts are not.

Sustainable Development

How will you build the core competencies of digital leadership?



Customer Insight



Technology Insight



Data Enablement



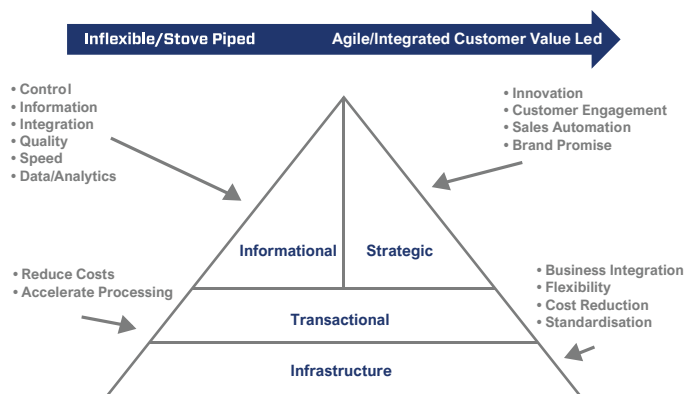
Continual Innovation



Digital Culture

I would add to that, meaning proceeds transformation. The engagement phase brings people together around the digital strategy and transformation effort. Unless you can make transformation meaningful for them at a personal level, you won't engage their hearts for this to be successful. That's a requirement. This phase expands the number of people participating in the Development of the transformation strategy and projects. The new team members will head up specific topics and start to formulate the plans for specific projects to initiate cross organisational discussions on high priority topics.

As with the initial team leaders, these should be people who are passionate about doing this work and who are committed to working together to bring this transformation forward. It's important that they receive training and orientation on digital strategy and transformation so that they can come up to speed quickly and be effective members of the team.



The Engagement Teams will work with the digital leadership team to identify topics that will drive the engagement strategy, the engagement campaign, and the client kick-off meeting. The engagement campaign elements will include executive and management discussions. Engagement team leader orientates and discuss the development and launch of a transformation portal, related materials, incentives, and rewards to support transformation related activity meetings with departments.

In a broader range of customers and partners, the development of engagement tools to facilitate dialogue engaging the communities involved with the key digital technologies. In digital ecosystems are essential to the strategy and transformation development and placement of public area engagement tools and development and implementation of training to support the creation of digital leadership, as well as the launch of a client planning meeting focused on digital strategy and transformation, these teams will be responsible for specific topics and issues and for making the transformation effort.

They're working on compelling and actionable for the rest of the client, develop presentations, gather feedback facilitate collaboration, sharing on their topics, engage in discussions internally and externally with customers and partners. They also develop the introductory and training materials that are needed to support and educate the rest of the client and customers.

They'll share out the resources and insight they've gained as they've gone about their work and in addition they will write and publish key findings and recommendations from the meetings and discussions held during this phase. The client meeting is a powerful statement to the client about the urgency and priority the client places on this initiative. It's also a way to really start to build strategic relationships with customers and partners. This phase is a major kick-off point for building and sustaining momentum throughout the client. The phase should continue for quite some time.

The engagement of employees, the distribution of success stories and regular updates on progress should continue as long as the transformation program is being actively managed. Done right, this phase will blow the barrier to resistance apart and motivates people throughout the client to get behind the digital strategy and transformation. It will open the doors to some amazing creativity and add huge momentum to the effort.

The Development Phase

This phase focuses on establishing an Agile portfolio management methodology for the overall transformation program. In implementing the projects required to transform the digital core. When we're done, the team will be able to discuss the goals of this phase, its focus and what the primary outcomes are.

This is the seventh phase of the transformation program. The goal of this phase is to establish a portfolio management process in road map for the projects that will drive the transformation program. It starts the development of the initial projects required to transform the client's digital core.

You've got to deliver on short term commitments while you develop the long-term vision and strategy. To implement success is doing both, getting critical projects done in the short term, while you are developing and executing the longer term.

The Transformation Phase

This phase focuses on bringing to life the digital leadership competencies that are required to sustain the role in the industry. As a digital leader, this section will cover the goals for the transformation phase and what's required to make it successful. This is the final phase of the transformation program. The goal for this is to accelerate development of the competencies required to establish and sustain the client.

"What differentiates success stories from failures, is that successful entrepreneurs had the foresight ability and tools to discover which parts of their plans were working brilliantly and which were misguided and to adapt their strategies accordingly."

That's great insight. It sums up what we're trying to accomplish in this final phase of the program, giving the client the insight, creativity, and agility, it needs to become a digital leader. By focusing on the things that will create the greatest future value and eliminating the things that will hold you back, essentially creating a highly adaptive client that is driven by continual learning and innovation. The digital leadership competencies that are brought into focus and a life in this phase of the program is where the game of digital disruption versus digital leadership is played and won.

Lastly, new technologies and innovations will continually reshape the marketplace. Throwing digital technology at those challenges won't win the game. Building the competencies of digital leadership into the client's DNA will give the client the tools training and support they need to think differently and to continually explore and act on new possibilities.

It's during this phase of the transformation effort, the process of formalizing that and embedding it in the culture begins. So, game on! Let's get this party started! During this phase programs will be defined and implemented that will embed the core competencies of digital leadership into the DNA of the organisation.

Digital Transformation's End Goal

Embed Digital DNA throughout your company



As you develop the programs to establish a digital culture as a leadership competency, you need to include establishing policies for hiring new people and for managing, training, and promoting people within the organisation.

This is one of the most critical elements of transformation, competing in a digital future requires people who are exceptional at learning because the technology and the market will be continually changing. It's important to emphasize those characteristics in people who are hard-wired with the traits we identified from team leaders. This is a good starting point for developing the training, hiring and management policies.

Digital leadership is a complex undertaking. The good news is that when you're done you won't just have a few people in the corner office someplace trying to wake the client up to the requirements and opportunities digital transformation presents. You'll have an entire organisation, as well as visionary customers and partners who are passionately committed to building a digital future with you. You will have an organisation that has a clear vision and strategy and a personal stake in achieving it. Instead of just a few people carrying the banner, you'll have an entire client ready to take on the mantle of digital leadership and an organisation committed to continual learning.

Innovation that helps you identify and act on opportunities that will create the greatest future value for you and the customers and that is the goal for the team during a digital transformation project.



Contact us



Maurice Evlyn-Buften CEO, Armstrong Wolfe
maurice.evlyn-buften@armstrongwolfe.com



Gwen Wilcox COO, Armstrong Wolfe
g.wilcox@armstrongwolfe.com



Wade Younger Managing Partner, Armstrong Wolfe Advisory
w.younger@armstrongwolfe.com

