Making Digital Work For You

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For over a decade companies have been urged to "digitalise" or risk getting left behind. While many accept this as a reality, we argue that the precept is at best confusing and at worst unclear for those eager to act.

Too often information about the "digital revolution" and its impact on business comes from analysts, consultancies and the media, but little is heard from the workplace, from business managers grappling with the new realities brought about by digital on a day-to-day basis. It was to uncover their truths that we initiated a study to examine the reality of digital in today's workplace. It was our aim to understand the implication of digital technologies for companies, how it is being incorporated into organisations, what managers and their boards expect of digital, and how it is truly changing the way business is conducted.

The findings, published in the report **The Real Impact of Digital - As Seen From the "Virtual Coalface"**, were surprising and challenged our own perceptions.

"Digital" has no universal meaning today

Of the 1,160 people surveyed - managers, executives and board members from a broad range of organisations, industries, functions and regions - all were engaged in digital initiatives.

However, the extent to which the meaning of digital differed between organisations astonished us. It was not without a challenge that we grouped their digital initiatives into 20 categories. We concluded that the number of business problems addressed by digital is both vast and varied.

The most quoted reasons for engaging in digital initiatives were to improve customer engagement and increase efficiency; other initiatives touched primarily marketing, sales and business processes. The complexity of engagement was also wide-ranging. While some companies were effectively "defining industry 4.0", others were still focusing on "trying to get all their staff on to e-mail".

A grass roots approach

Companies' engagement in digital is often driven, not by an over-riding digital strategy, but by a multiplicity of business needs and aspirations that are both external and internal to business. In the majority of cases these initiatives originated at a grass roots level where digital is applied to reach specific business objectives, some not feasible until innovation in digital technologies.

Digital initiatives are generally launched and managed by functional areas inside a firm. While they may at times cut across different functions, digital initiatives are rarely company-wide or mandated from the top. In fact, in many cases senior management or board members did not know the initiatives are taking place.

Digital success is not primarily about technology

While over one third of respondents indicated their main digital initiative has delivered or exceeded expectations, as many as 60 percent stated it was too early to say.

Surprisingly, among those who claimed success, few (just 12 percent) attributed it to the right technology. It seems despite digital often being positioned as a technology, it is by and large the combination of a right

vision, effective leadership, and a supportive culture that make the difference between success and failure. Successful digital initiatives typically start by understanding how digital is changing the business environment, and then proceed by defining how the organisation, its products and services, and also its business model can leverage the opportunities brought about by digital.

Digital is a journey with no clear destination

For the majority of organisations we surveyed, digital is a journey of discovery with no clear destination. The companies appear to be finding their own digital pathway, navigating through their individual challenges and distinct opportunities. Thus the question to be asked is not *"how can I digitally transform my company?"* but rather *"how can I achieve a competitive advantage in a digital world and how can the technologies emerging in this world help me succeed?"*

No one-size-fits-all approach

There is no 'one-size-fits-all' or right way to do digital, nor has a corporate digital solution emerged to benchmark against. This then raises the fundamental question as to whether a single form will indeed emerge around which organisations coalesce, or, at the other extreme, whether digital creates the opportunity for true customisation of a company's offering, business model and processes, potentially to as many different digital forms as there are organisations.

Ten recommendations to guide management through the digital world

The findings formed the basis for ten recommendations for managers, executives and board members looking to effectively manage digital within their organisation.

> #1. Clarify what you mean by digital in the context of your company and business objectives, and challenge how the media and experts promote digital.

> #2. Own your digital journey and gain competitive advantage by properly defining how digital technology is to be used to shape your organisation, and customise your products and services.

#3. Make digital everyone's business by ensuring understanding of digital throughout the company, from board members down.

#4. Thoroughly explore the opportunities digital offers before defining and committing to a given digital solution or strategy.

#5. Be wary of 'expert advice" in the digital space as it typically comes with expert bias.

#6. Engage the board in digital, especially in the case of digital and business model transformation, as these initiatives will have an impact on the entire organisation and are inextricably linked to the organisation's success.

#7. Make people, management and culture the main drivers of digital.

#8. Measure the impact of digital and the role it plays in achieving your company's objectives.

#9. Don't feel the need to create an over-riding digital strategy – you may not need one.

#10. Manage the spill over effects of digital initiatives on the wider organisation, as even basic adjustments may necessitate widespread changes.

In conclusion

Digital technology is changing fast, constantly pushing the limits of what is possible. It will continue to do so and at an even greater speed. To compete, companies first need to understand what business in the digital age means in general, and subsequently its far-reaching implication on the organisation, the way it is managed, and finally the way it shapes and modifies a company's value creation.

When considering what investments to make and capabilities to develop, managers, executives and boards need to take into account that digital does offer rich opportunities for innovation and distinctiveness, unavailable until now. Capitalising on this however, will require exploration, understanding and insight.

In sum, be wary of "the promised golden path to digital heaven", but do not ignore the possibilities brought about by innovation in digital technologies.

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