Strategic Digital Leadership: The Future is Now

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What is “Strategic Digital Leadership”?
Who is the leader “of reckon” when the subject is IT?
- The CIO?
- The CEO?
- Other C-Level execs?
- All?
The CIO: Roles and Responsibilities

- Leader in adapting processes that help quantify and align projects
- Direct linking plans to overall mission
- Partner in strategic planning
- “No one size fits all” - Info too vast/expansive
- Must know the tech side of enterprise but not true technician
  - Understands IT principles
  - Acts as strategist
  - Applies technology to business problems
The CEO: Responsibility to IT

- Recognize the role of Information Management (IM) in creating value
- Position the CIO for success
- Ensure the credibility of the CIO organization
- Measure success and demonstrate results
- Organize information resources to business needs
- Develop IM human capital
CEO as Orchestrator

- CEO well positioned to orchestrate change
- CEO must recognize the business transformation potential of IT and apply technology to achieve major improvements in practices and operations
  Must understand the business model – the culture acts in sync

- Visibly support the CIO

- The CEO must partner with the CIO and:
  - Embrace the need for change
  - Demonstrate the need for change
  - Constantly communicate the need for change
  - Mapping “as is”, “what it will be” and “why”
The Seven CEO IT Leadership Styles

- **The Hypocrite:** Espouses strategic importance of IT but negates belief through personal action
- **The Waverer:** Reluctantly accepts strategic importance of IT but is not ready to get involved in IT matters
- **The Atheist:** Convinced IT is of little value and publicly espouses this belief
- **The Zealot:** Convinced IT is strategically important and equally believes he is an IT expert
- **The Agnostic:** Concedes IT is strategically important but needs repeated convincing
- **The Monarch:** Accepts IT is strategically important, appoints the best CIO, and steps back
- **The Believer:** Believes IT enables strategic advantage and demonstrates belief through action
The Scope of Digital Leadership

**STRATEGY**
- Linked to business strategy
- Bold, long-term orientation
- Centered around customer needs

**ORGANIZATION & TALENT**
- Structure
- Processes
- People

**CAPABILITIES**
- Connectivity
- Automation
- Content
- Data / Analytics
- Customer experience
- Technology

**CULTURE**
- Risk appetite
- Test and learn
- Speed / Agility
- Collaboration
- External orientation
Digital Convergence

Converging Industries

- Digitalization: Convergence, enhanced data speed
- Internet: Ubiquitous access
- Telecom: Anywhere, anytime usage
- Software Industry
- Media Industry
- Telecom Industry (ADSL/FTTH)
- Cellular Industry
- Information Technology Industry
- Consumer Electronics Industry
Philosophical Foundation of LEGO’s Digital Transformation

“No more digital strategy – executing strategy digitally”

“You do not think your way into new ways of acting – you act your way into new ways of thinking”

- LEGO CEO Jørgen Vig Knudstorp
Going Digital! – A Strategic Imperative
Disruptive Digital Technologies

Cloud / Mobile Computing
Access to scalable, cost-effective computing and storage capacity; Rapid deployment capability and enhanced business agility; Embracing mobility in the way we design and deliver products and services.

Big Data / Open Data
Data is the new Oil; Data as exhaust from eCommerce, Social Media, IoT, mobile and sensors; platform for enhanced business intelligence.

Advanced Analytics / Artificial Intelligence
Digitization and automation of knowledge work; advances in machine learning & AI; Enhanced algorithms from big data analytics; Advanced Robotics & autonomous systems.

Social Media
Digital channels of engagement, information and interaction with customers and consumers; Where public sentiment, opinions and consensus are shaped and influenced; Ignore at your peril.

BlockChain Applications
Digitalization the process of moving to a digital business and the use of digital technologies to evolve business models and create new value-producing opportunities.

It also heralds a new era in which Business innovation and IT innovation are more integrated and in which there is a flip in Corporate IT from a legacy perspective to a strategic digital perspective.
Size Matters, but...

In the new world, it’s not the big fish which eats the small fish, it’s the fast fish which eats the slow fish.

THEN

NOW

Klaus Schwab; Founder and Executive Chairman; World Economic Forum
NB: The findings presented here are “Preliminary” and the survey will continue to be administered as part of ongoing research. Updated survey results may be published at a later date.
About the Survey

- Adapted from 2015 Survey administered by MIT Sloan & Deloitte (4,500 biz executives in 129 countries, 27 industries)
- A Survey to understand the organization's challenges and opportunities, perceptions and attitudes towards digital business
- A Convenience Sample - 60 responses from various business executives in multiple local sectors conducted over past 12 months
My Organization views Digital Technologies...

- 53% agree that Digital Technologies are an Opportunity
- 43% agree that Digital Technologies are a Threat
- 25% neither agree nor disagree that Digital Technologies are an Opportunity
- 31% neither agree nor disagree that Digital Technologies are a Threat
- 14% disagree that Digital Technologies are an Opportunity
- 31% disagree that Digital Technologies are a Threat
- 7% strongly disagree that Digital Technologies are an Opportunity
- 3% strongly disagree that Digital Technologies are a Threat
- 19% null for Opportunity
- 5% null for Threat
Our organization has a clear and coherent digital strategy

To what extent are digital technologies disrupting your industry?
Imagine an ideal organization in your industry that has undergone digital transformation to improve processes, engage talent across the business, and drive new and value-generating business models.

How close is your organization to that ideal? Please rate on a scale of 1-10 where 1 = "Not at all close" and 10 = "Very close"
What barriers (if any) are impeding your organization from taking advantage of digital trends?

- Too many competing priorities: 47
- Insufficient technical skills: 25
- Lack of an overall strategy: 23
- Lack of organizational agility: 22
- Lack of entrepreneurial spirit: 14
- Lack of management understanding: 10
- Security concerns: 9
- Lack of collaborative, sharing culture: 3
- Lack of employee incentives: 2
Which of the following skills or abilities are most lacking in your organization?

- Ability to manage or work in distributed, digitally-savvy teams in fast paced environments; flexible: 31 responses
- Willingness to experiment and take risks: 26 responses
- Ability to use digital technologies like social, mobile, analytics, cloud to execute one’s job: 19 responses
- Knowing the business and being able to conceptualize how new digital technologies can impact current business processes/models: 5 responses
- Willingness to share and be collaborative: 2 responses
Our organization's leadership has sufficient skills and experience to lead our organization's digital strategy?
What Does "Going Digital" Mean to You? - Survey

Re engineering operations to ensure that there is continuous improvement and deployment of digital technology to be cutting edge.

Enhanced access and convenience to customers (internal & external).

Being innovative and to become the #1 leader in our industry.

Improving our efficiency and competitiveness in the market.

Going Digital means adopting new technologies and processes to transform the way how we work and interact with each other, our customers, partners and other stakeholders.

Ready for the future.
Formulating a Strategic Digital Agenda – Some Considerations
1. Imagine a Digital Future and Work Backwards
2. Activist, visible leadership of the Digital Transformation
3. Architect the Digital Ecosystem - that Integrates internally across SBUs and externally with Customers & Partners
4. Expand the role of Mobile & Mobility
5. Business Models that combine Physical / Digital Worlds
Digitalization Requires the Value Integration of These Core Enabling Technologies

1. Social
   Leverage social media for customer engagement, product innovation & business discovery

2. Mobile
   Use mobility as an attribute of product / service innovation and enhancement; and mobile as a channel to engage, inform, educate, analyze & source/deliver digital transactions

3. Analytics
   Pervasive use of analytics for insight, decision-making & enhanced consumer experience towards value-creation

4. Cloud
   Exploit the value of the cloud in responsively delivering new business functionality to enhance agility and reduce complexity
More Importantly, Digitalization Requires an Integrated Approach to Core Business Attributes

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<th>Strategy</th>
<th>Culture</th>
<th>Capabilities</th>
<th>Org &amp; Talent</th>
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<td>Digitalization as an integral attribute of Business Strategy</td>
<td>Actively encourage a people mind-set &amp; culture in both Management &amp; Ranks that embraces flexibility, experimentation, &amp; iteration in innovation</td>
<td>Establish technology platform that enables business integration inside/outside the enterprise and more agile business process management and knowledge sharing</td>
<td>Secure/develop digital talent; establish a workplace that encourages and enhances digital experiences, learning and knowledge sharing, and thrives on flexible location and time</td>
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“We are drowning in information, while starving for wisdom. The world henceforth will be run by synthesizers, people able to put together the right information at the right time, think critically about it, and make important choices wisely.”

E. Wilson, 1998, Consilience