COSMIC PENINSULA CONSORTIUM
Inclusion and Growth

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Leading Digital Transformation - the key to productivity?

Kate Doodson – Cosmic
@cosmickated

"More than one-third of businesses today will not survive the next 10 years."

Cisco 2017

The only ones that will survive will turn their **companies into digital versions of themselves**, and many of will fail trying.

Digital is the main reason just over half of the companies on the Fortune 500 have disappeared since the year 2000
Pierre Nanterme
CEO of Accenture

Digital Transformation will be at the centre of 67% corporate strategies by 2018.

IDC 2016

What is digital transformation?

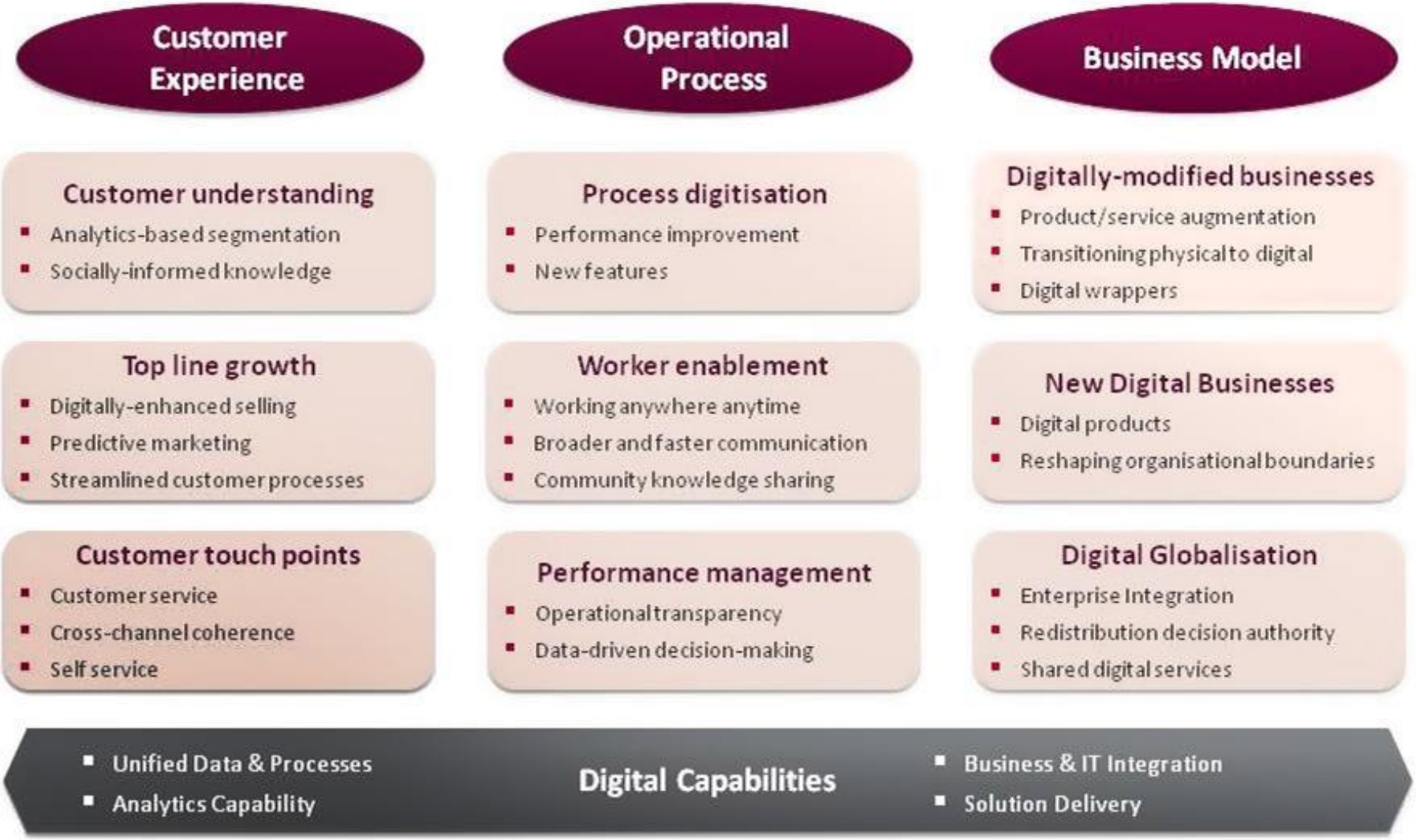
Transformation is a **whole scale change to the foundational components** of a business:

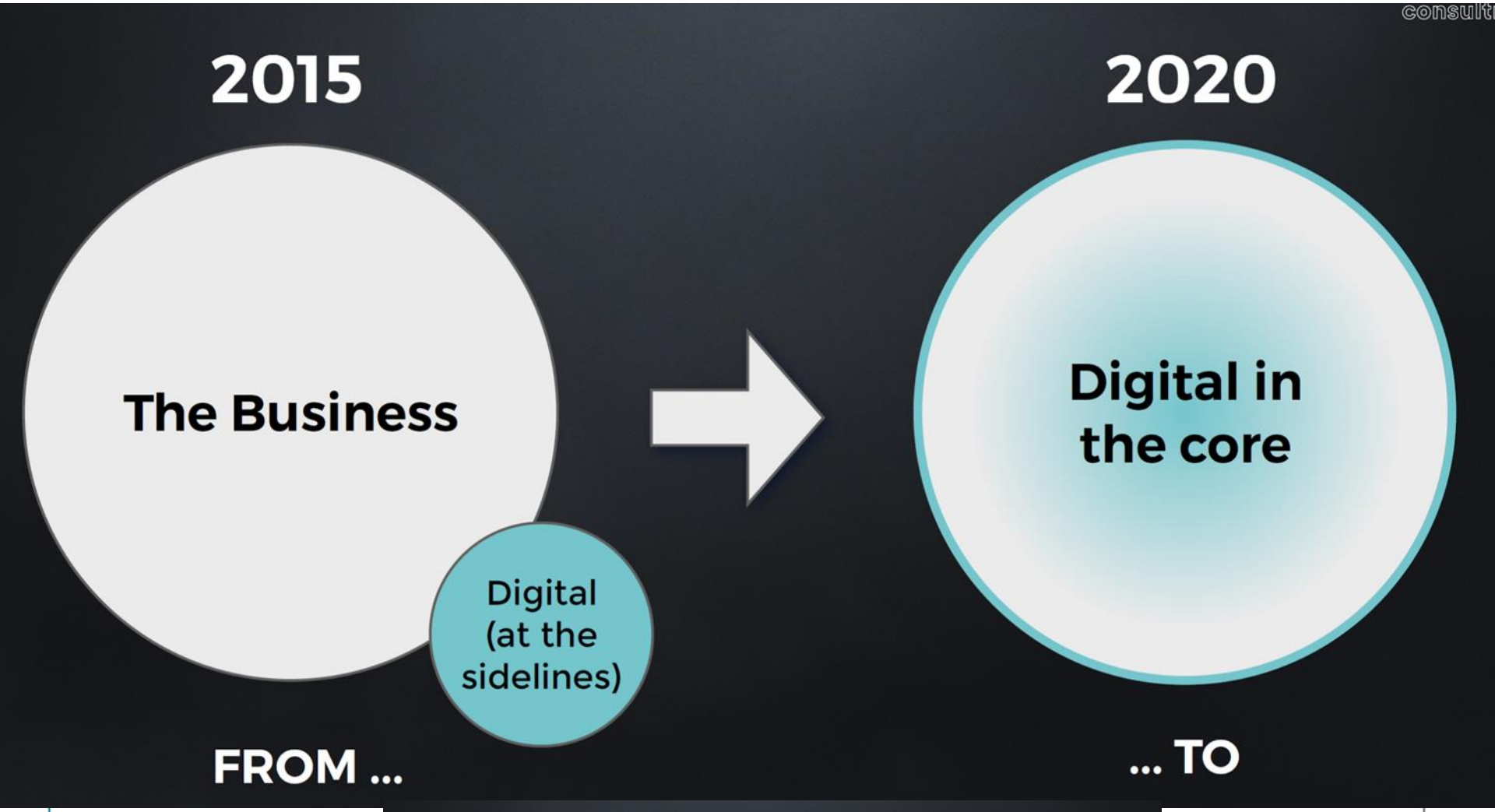
- operating model
- infrastructure
- What it sells, to whom
- how it goes to market

A transformation programme touches every function of a business;

- purchasing
- finance human resource
- through to operations and technology, sales and marketing.

Navigating Digital transformation





digital **First** > digital **Only**

What's the business case?

Overall bottom line, improving productivity

Digital transformation can boost the bottom line by more than 50% over the next five years for companies that pull all levers.

- Increase in sales from new markets
- Increase in margin from current deals
- Increase in sales from loyal customers

Cut costs

Cost base reduction of around 10% - 25%

Improving productivity

- Automating paper-heavy processes
- Reduction of duplication of activities
- Channel shift

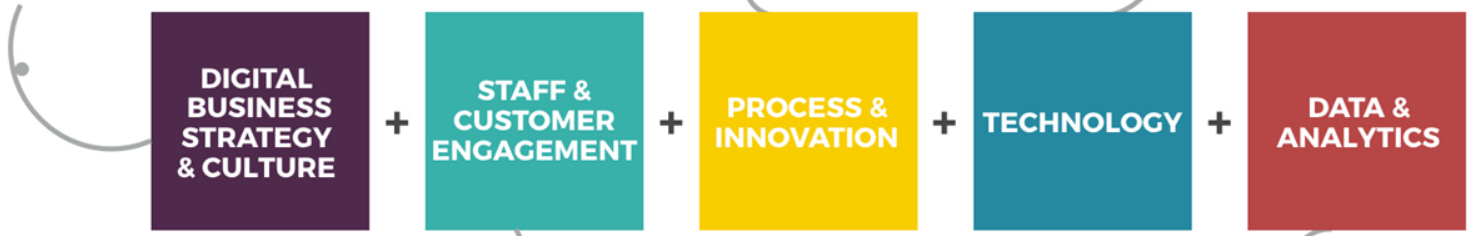
http://www.mckinsey.com/business-functions/business-technology/our-insights/finding-your-digital-sweet-spot#0

Digital transformation is the **profound transformation of business** to fully leverage the changes and opportunities in a strategic and prioritised way, with present and future shifts in mind.

Strategy & culture - If strategy and culture aren't right, it leads to digitisation of services

Process & innovation - without these, incoherent action occurs.

Technology - rarely the differentiator technology does enable Digital Transformation and it is therefore vital that the right technology is embraced.



Staff & customer engagement - If engagement with stakeholders is wrong, it leads to resistance

= **DIGITAL TRANSFORMATION**

Data & analytics - used for insights and evidence based decision making, without it there is simply stagnation

Being a digital leader is not a role, it's a competency.

5 steps to leading transformation

1. Create the **vision**
2. Develop the **frameworks**
3. **Upskill** yourself
4. Build business **2.0**
5. Build a **talent** pipeline

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Create the vision

"A bottom-up approach does not deliver successful digital transformation.

Only the top layer of a company can ***create a compelling vision*** *of the future and communicate it throughout the organisation."*

Create the vision

Articulate the purpose, context and strategy for change

Compelling vision of the future of your business
Easy to communicate

- 'Think big'
- Transformative

Only leaders are in the position to drive this level of change

What will your business look like in 5 years time?

> *"Executives with an incremental vision get what they aim for – incremental improvement."*

What is a vision?

Digital by Default

Digital DNA

*'The company was **not in the business of producing paper directories;***

*it was in the **business of connecting small and medium-sized businesses to local customers**. Paper is just an outdated technology; digital is a better one.'*

pagesjaunes

"We had a vision, and the vision was to be the first company to be fully digital end to end."

- Angela Ahrendts, CEO Burberry

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The Digital airline

"Boeing believes the future of the aviation industry lies in "the digital airline."

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Features of an effective vision statement

1. What value will you provide to your **customers**?

2. What benefit to the **company** in terms of efficiencies or profitability?

3. Link vision to specific goals in the future

4. Be simple and memorable

5. Be inspirational

Develop the frameworks

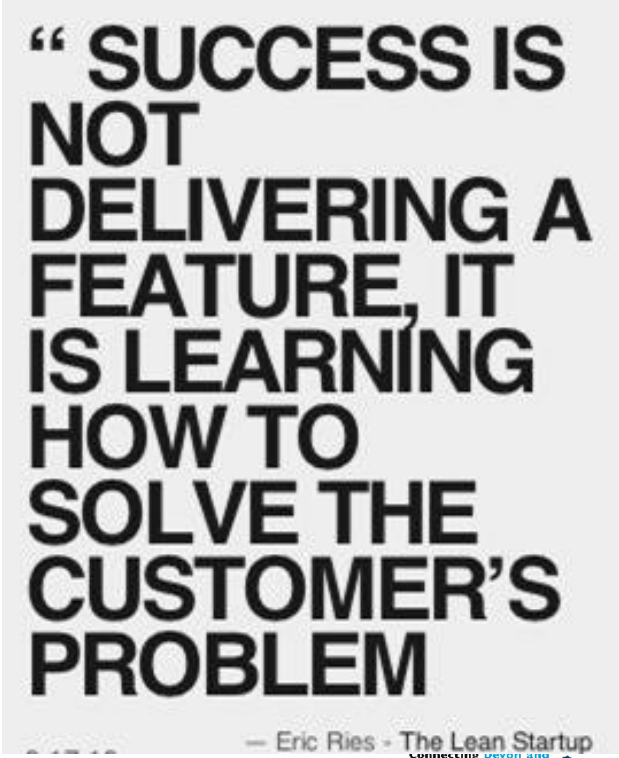
Develop the frameworks not the solution

Agile Project Management

Scrum - Sprint projects

Kanban - limits WIP

Roadmaps



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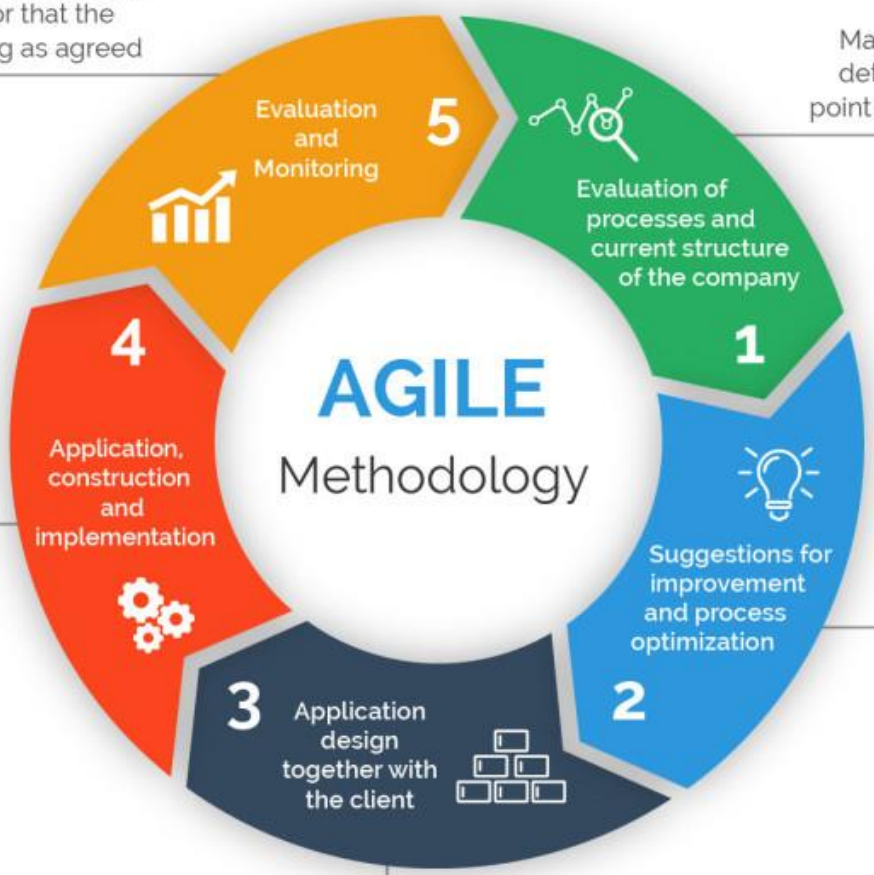

Mapping processes to determine the starting point and the "Actual State"

Optimize a process with a right combination of technologies

we choose technologies and review options with the client. The client is part of the project from the very beginning and feedback is VITAL

Weekly delivery of developments for the end user to operate and request for changes. It is IDEAL that the end user is part of the process of development and testing

These determine KPIs, reports and other metrics, per user, in order to monitor that the process is working as agreed

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Scrum - Sprints

Restrict time

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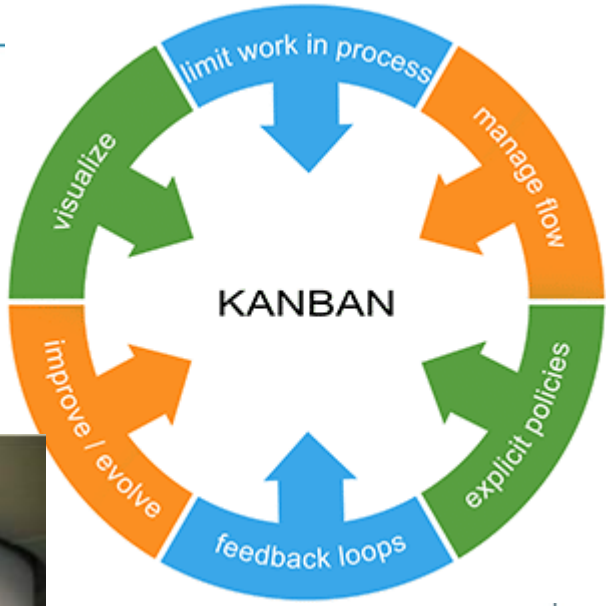
Kanban boards

Restrict Work in Progress



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Bimodal

Gartner for Marketing Leaders

Implication – IT moves to a bimodal organization

Think Marathon Runner

Mode 1		Mode 2
Reliability	Goal	Agility
Price for performance	Value	Revenue, brand, customer experience
Waterfall, V-Model, high-ceremony IID	Approach	Agile, kanban, low ceremony IID
Plan-driven, approval-based	Governance	Empirical, continuous, process-based
Enterprise suppliers, long-term deals	Sourcing	Small, new vendors, short-term deals
Good at conventional process, projects	Talent	Good at new and uncertain projects
IT-centric, removed from customer	Culture	Business-centric, close to customer
Long (months)	Cycle Times	Short (days, weeks)

Think Sprinter

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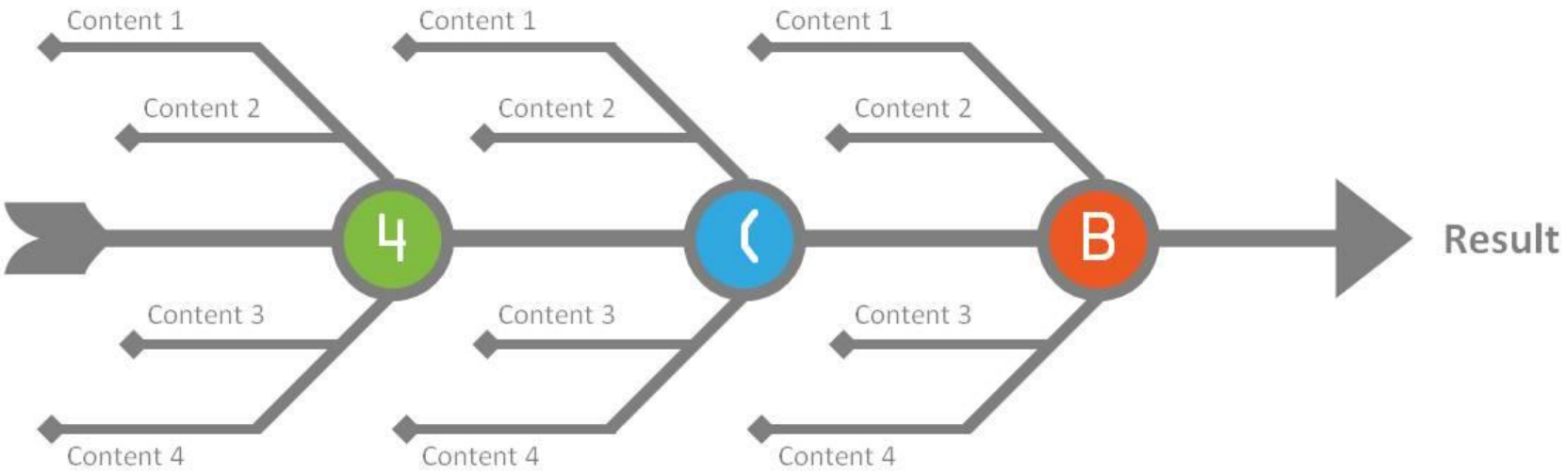
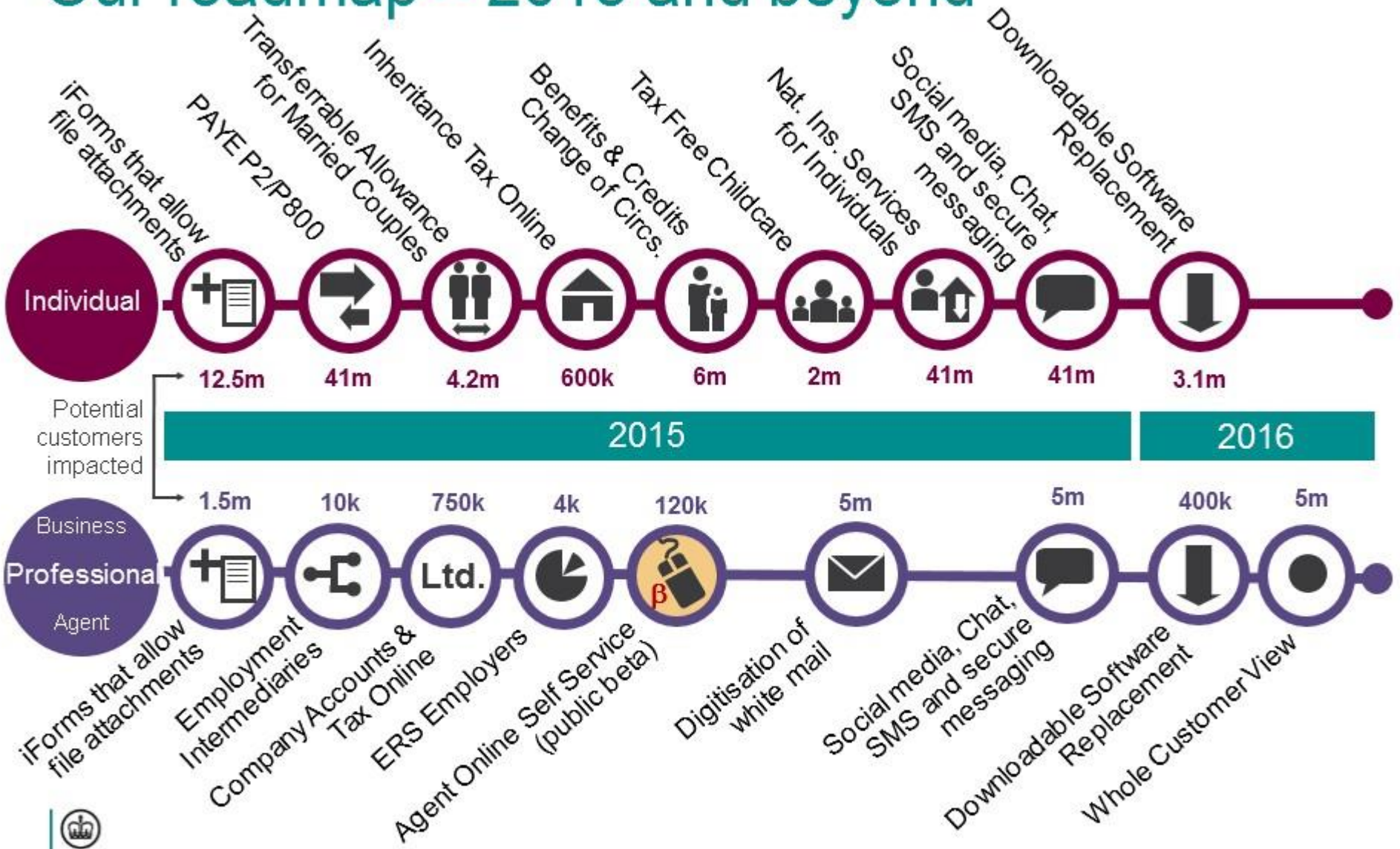
Roadmaps

Fishbone Diagram



Our roadmap – 2015 and beyond



HM Revenue & Customs

Key: β = beta trial | ▢ = exemplar service

Note: Numbers impacted are approximate only and subject to further refinement

Roadmaps

Foundation IT - Core development - what needs to be done for Core IT?

Innovation IT - how will IT lead to innovation in the business

Legacy IT - how will you retire software in the business?

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Substitution

Tech acts as a direct tool substitute, with no functional change.

cup of coffee

Augmentation

Tech acts as a direct tool substitute, with functional improvement.

latte

Modification

Tech allows for significant task redesign.

caramel macchiato

Redefinition

Tech allows for the creation of new tasks, previously inconceivable.

pumpkin spice

Upskill yourself

Love to learn

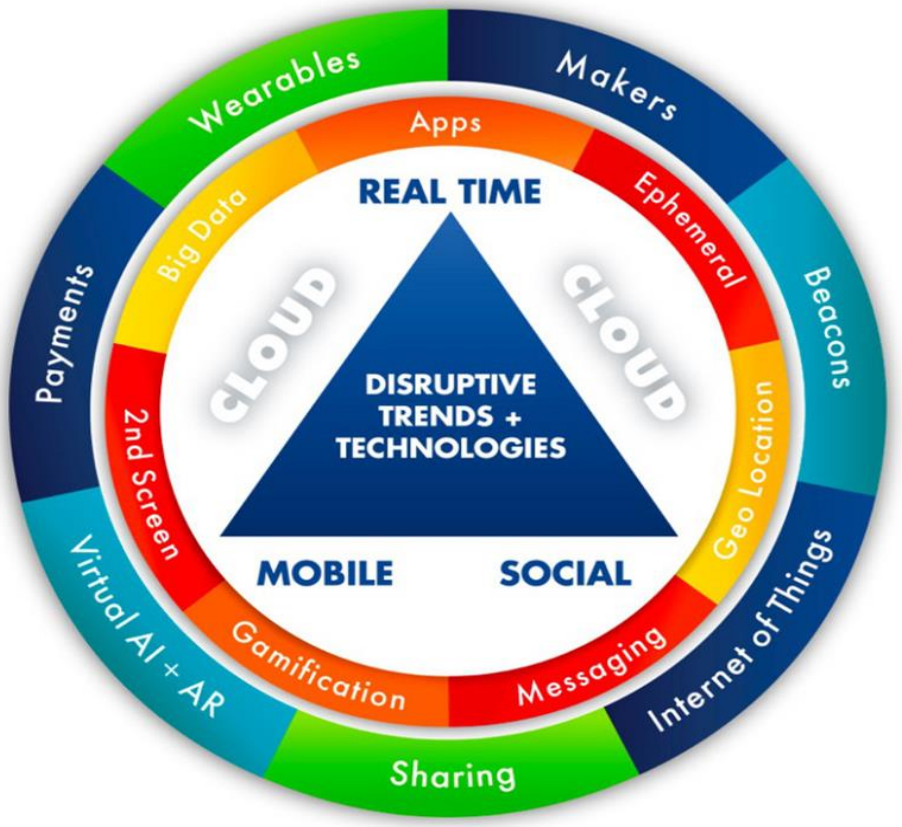
Become inquisitive

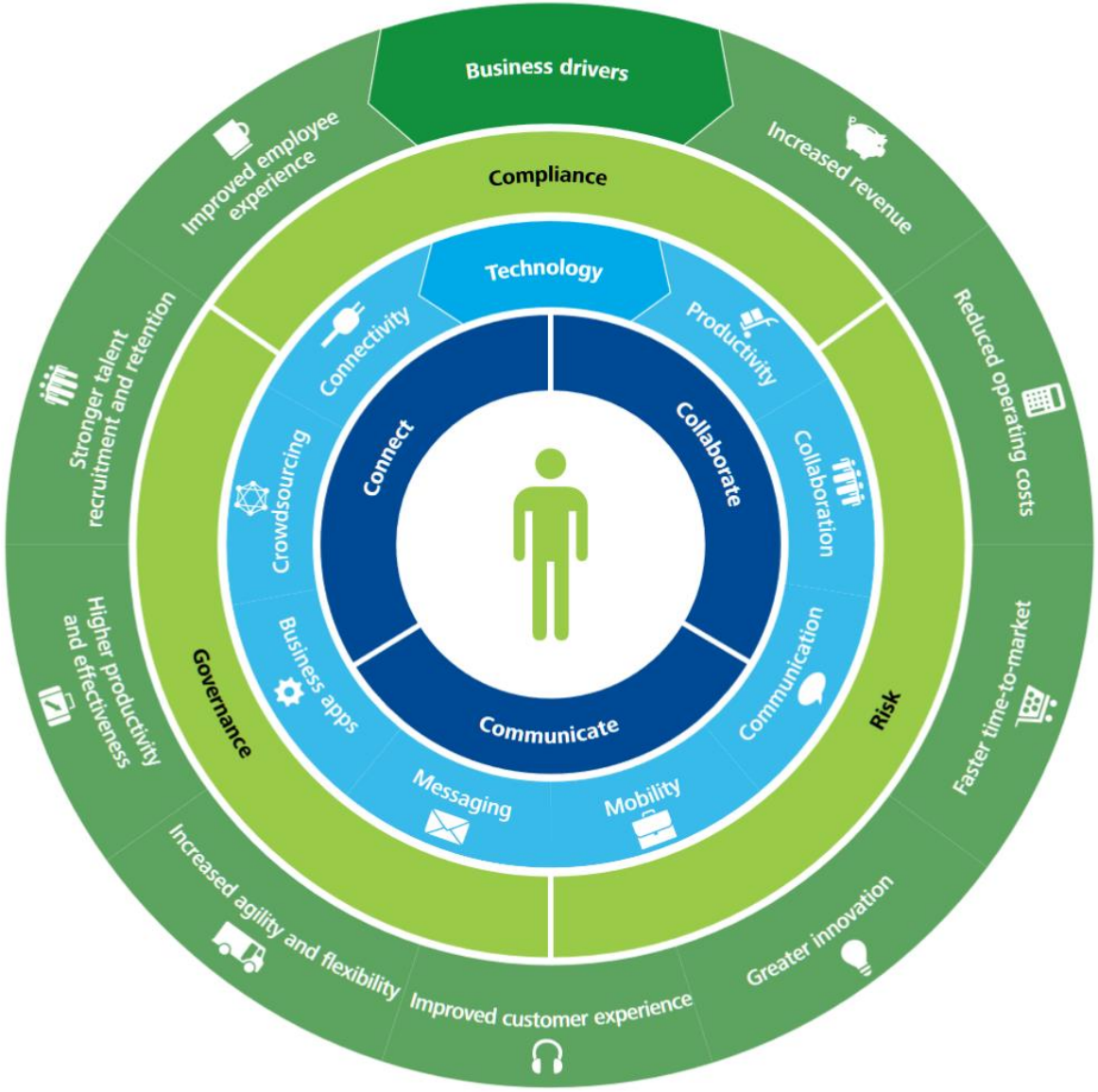
What is…that technology?

What are your competitors doing?

What are leaders thinking?

What are digital natives thinking?





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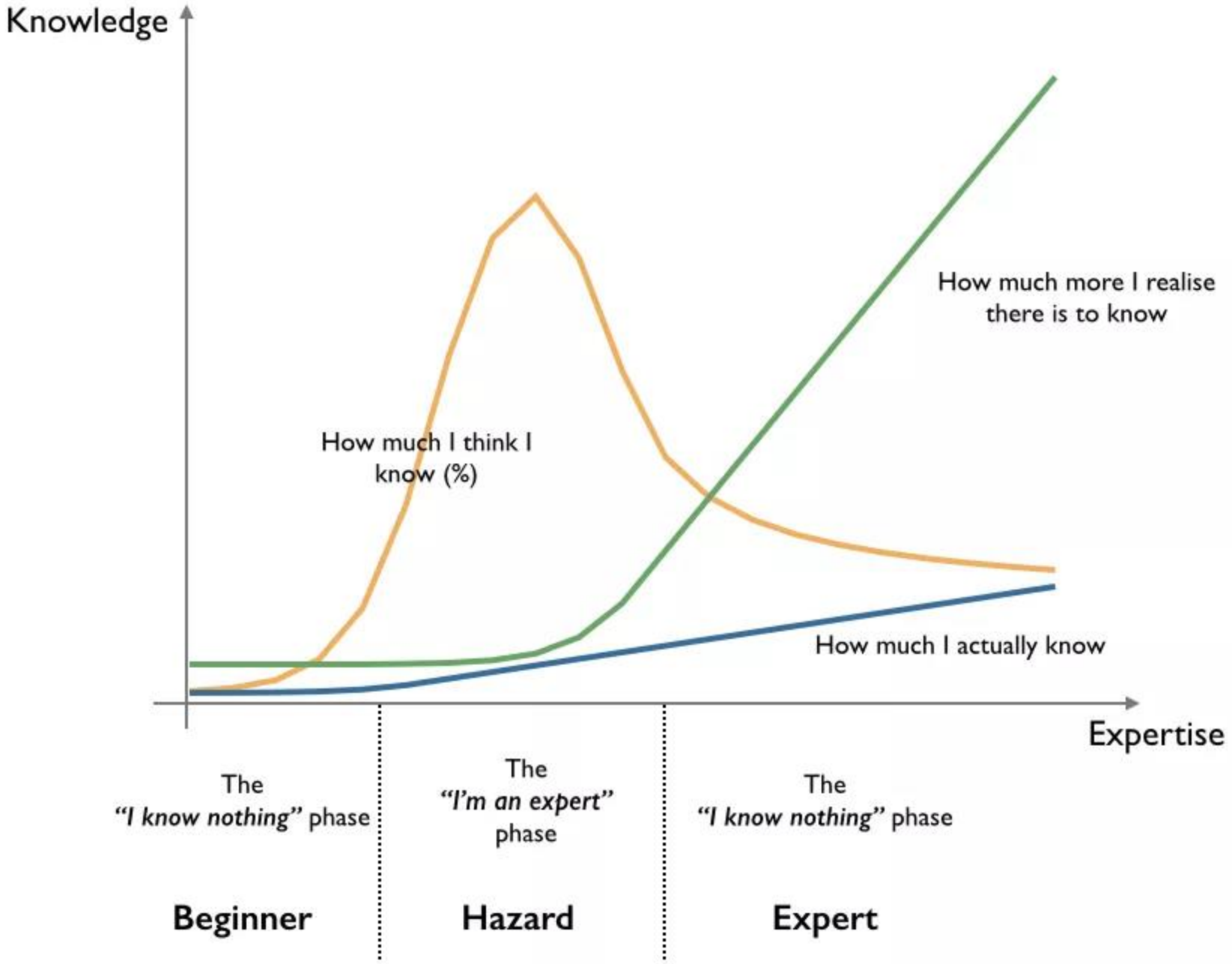

Simon Wardley CC3.0 BY-SA

Digital Toolbox categories

Messaging

Provides a fast way to communicate with your colleagues

- E-mail
- Instant messaging
- Micro Blogging
- Mobile messaging

Productivity

Enables knowledge workers to get their jobs done efficiently

- Word processors
- Spreadsheet software
- Presentation Software
- Calculator

Collaboration

Enable employees to work with each other and with partners

- Team rooms
- Communities
- Wikis
- Web conferencing

Communication

Supports information sharing and internal publishing

- Portals/intranet
- Blogs
- Personalized Homepage

Business applications

Enable employees to access self-service applications online

- Expense claims
- HR systems
- ERP
- CRM

Crowd sourcing

Enables organization to gather ideas ,inputs and thoughts from employees

- Ideation platform
- Polling
- Survey
- Forums

Connectivity

Helps locate experts and colleagues across the organization

- Employee directory
- Organization chart
- Rich profile

Mobility

Enables access of tools away from the physical office or workplace

- PC/laptop
- Mobile/smart phone
- Home office
- Remote scanners

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slack

Google Drive

breatheHR

MailChimp

xero

EVERNOTE

capsule

Trello

zendesk

Your new reading material ..

Some of my favourites

https://www.enterpriseirregulars.com/

http://forums.techsoup.org/cs/community/b/tsblog/

https://econsultancy.com/blog?utm_medium=feeds&utm_source=blog

http://blog.gardeviance.org/ - **swardley** @swardley

https://go.forrester.com/blogs/category/podcast/

http://mashable.com/tech/?utm_cid=mash-prod-nav-ch

Business 2.0

HOW WOULD YOU LOOK IF YOU WERE FOUNDED TODAY?

How would it look if you started again?

Are you brave enough to create a competitor to your business?

Learn from Disruptors

What have they done differently?

Relentless focus on consumers and consumer behaviour

What about old businesses that have transformed?

CREATIVITY IS THINKING UP NEW THINGS.

INNOVATION IS DOING NEW THINGS.

Platform as a business?

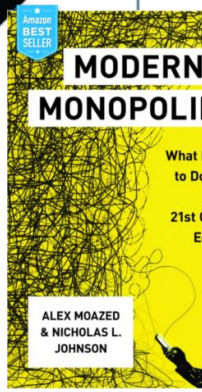
It's a business model

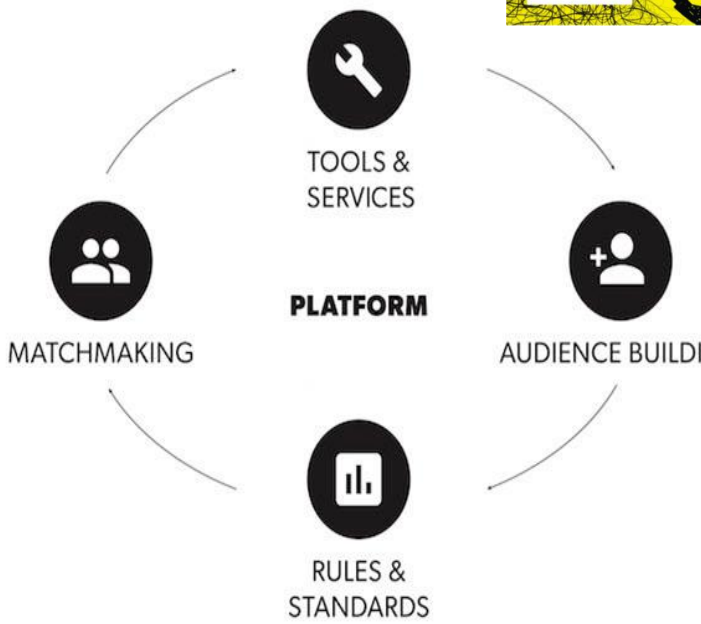
A platform is a business model that **creates value** by facilitating exchanges between two or more interdependent groups, usually **consumers and producers**.

don't directly create and control inventory via a supply chain the way linear businesses do

Building a product and a network

Amazon, eBay, Instagram, YouTube, Twitch, Snapchat, Sl
WhatsApp, Waze, Uber, Lyft, Airbnb, Pinterest, Square, So
Finance, GitHub, Kickstarter, ZocDoc and more.





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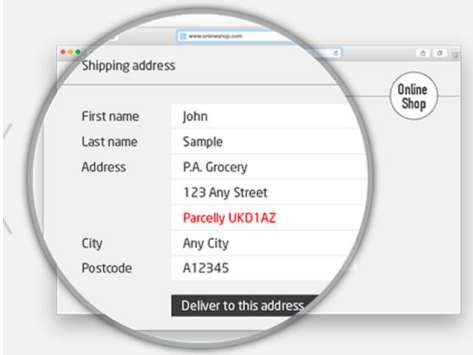

3. You're ready to use Parcelly

Shop with any online retailer worldwide and simply enter your unique Parcelly ID and Parcelly delivery address into the check-out form.

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Monday 13:37

Let's make mortgage worries history

I'm looking for a...

New mortgage Remortgage

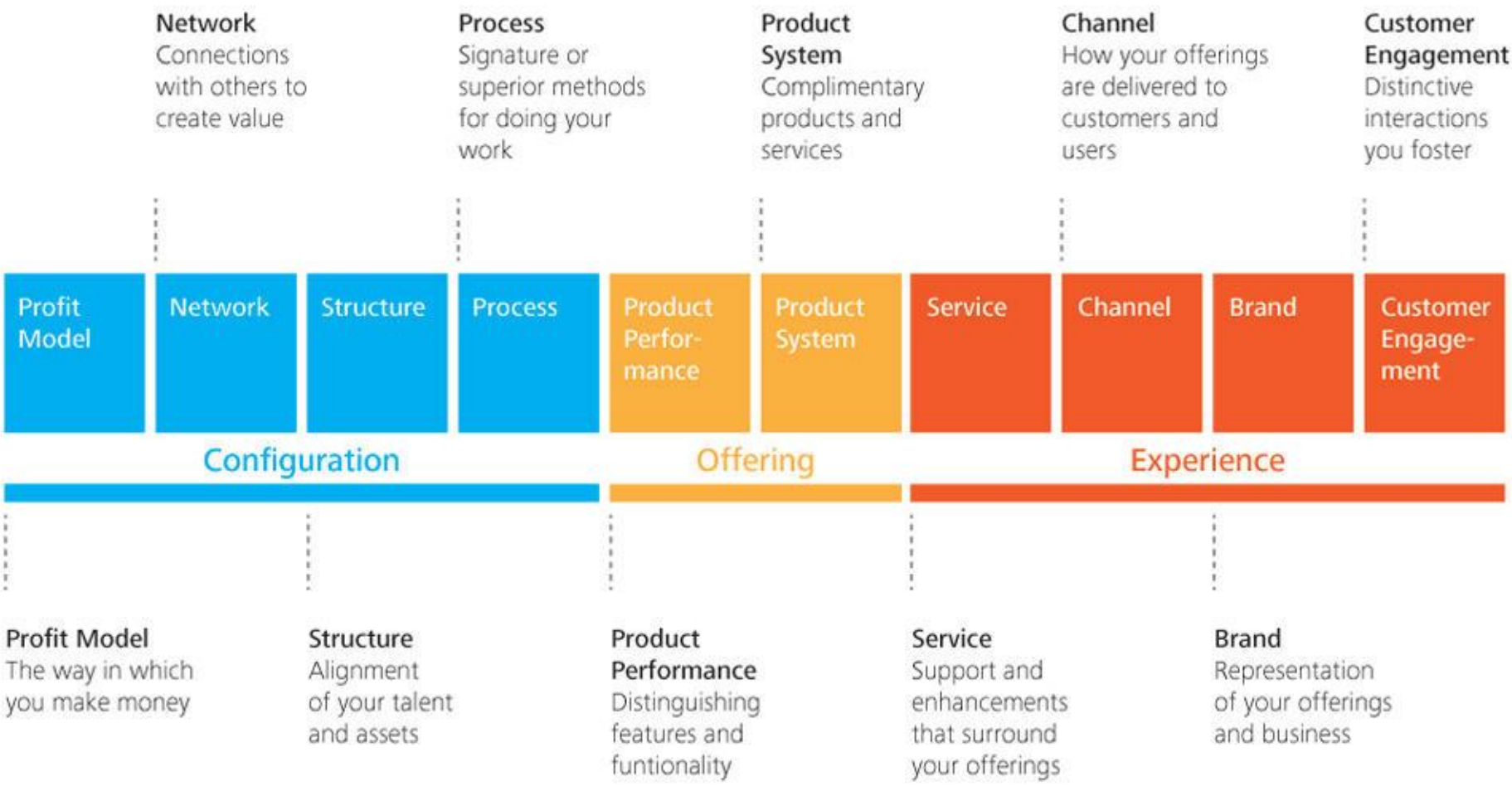
..."Free & easy"...

Pat, 7 June 2017

TRUSTPILOT

> *In the twenty-first century, the supply chain is no longer the central aggregator of business value.* ***What a company owns matters less than what it can connect.***

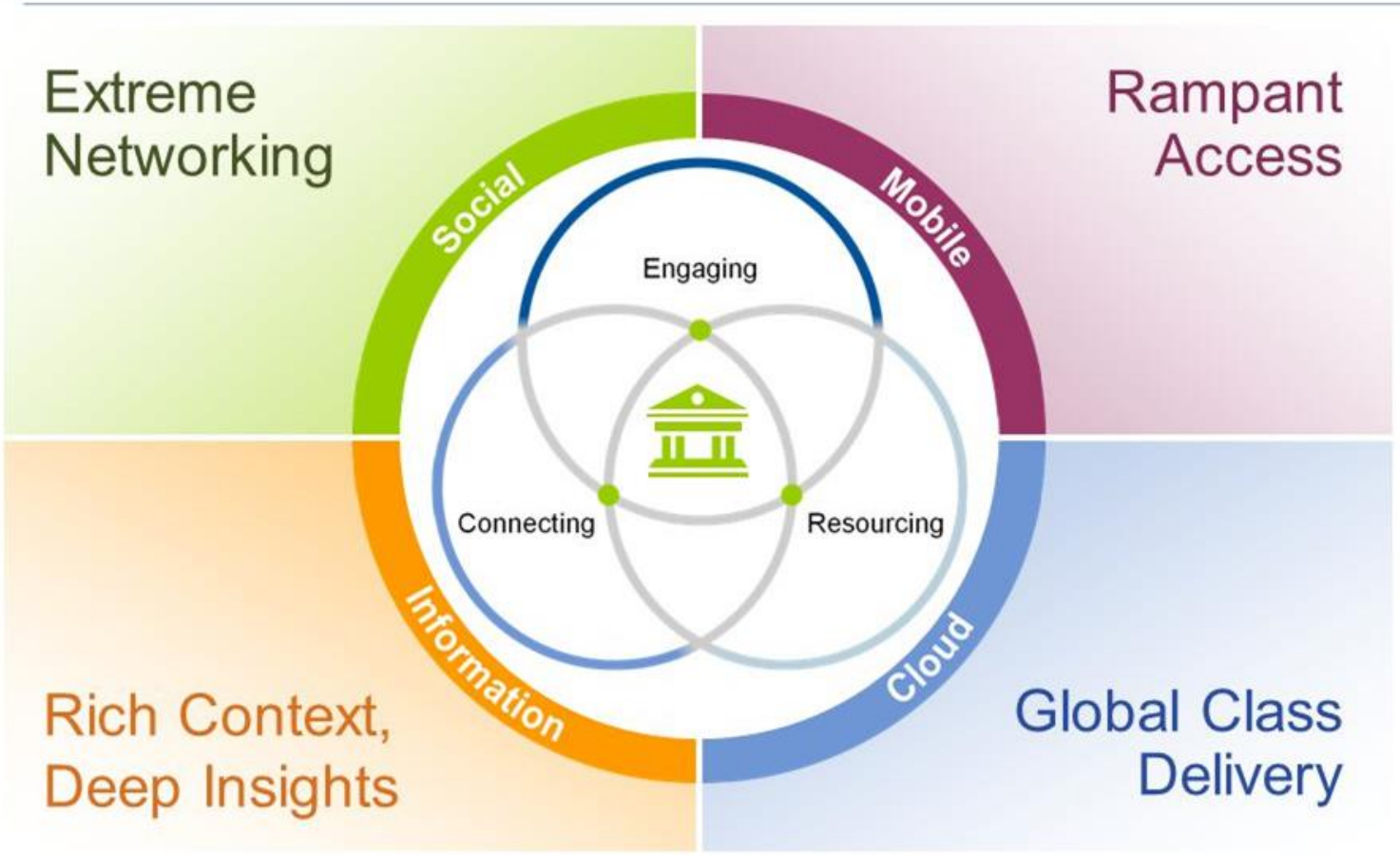
Figure 1. The Ten Types of Innovation®



Source: *The Ten Types of Innovation* [Doblin]

Graphic: Deloitte University Press | DUPress.com

How are you navigating new technology?



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Build a talent pipeline

Build the team

Digital transformation is only as strong as the team that executes it.

Transformation needs **People**

Tempting to use outside consultants? Short term gains - train staff in new competencies

- New ways of working - agile, innovation
- New technologies - AI, IOT

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Digital skills

Universal skills

Digital literacy, Cyber safety, digital communication

Specialised skills

Data analytics, Cyber security, AI, Digital Marketing, Cryptocurrency, DLT

Leadership skills

Technology impact, decision making, risk and governance

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Digital Skills

What's missing from your teams?

- What do you know about the **universal digital skills** in your teams?
  - Create a competency framework
  - Training needs analysis – exercises and checklists
  - Develop a training plan – supervise and appraisal of outcomes
  - Train and mentor, long term goals
- How will you seek **specialised skills**?
  - recruiting, interns, associates, contractors, grow your own?

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Lloyds TSB – Digital Business Index 2016

38% of small businesses and 49% of charities lack Basic Digital Skills

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WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD

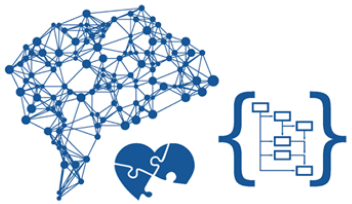
Top 10 skills

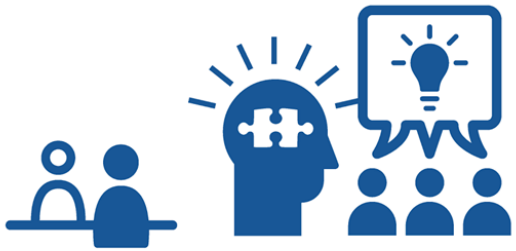
in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity





Source: Future of Jobs Report, World Economic Forum

Are you fit for it?

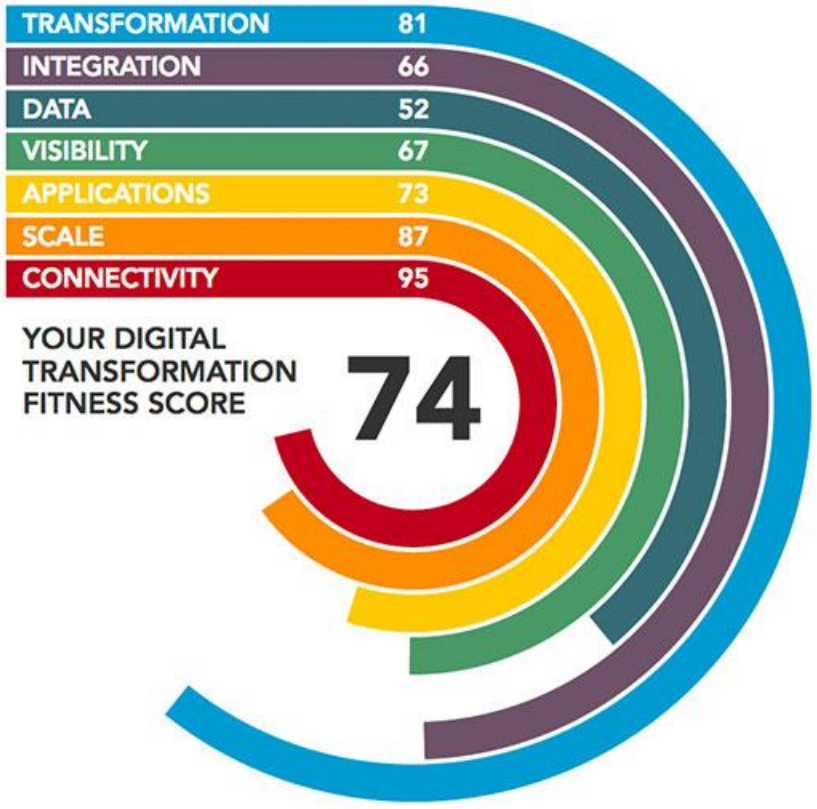
Transformation is a marathon

Requires as much motivation as restraint

As much autonomy as discipline

The pace is unrelenting

If your teams are sprinting we can't be jogging



ARE YOU FIT FOR DIGITAL TRANSFORMATION OR BEHIND YOUR PEERS?

5 steps to leading transformation

1. Create the **vision**
2. Develop the frameworks
3. Upskill yourself
4. Build business 2.0
5. Create a talent pipeline

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Thank you

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