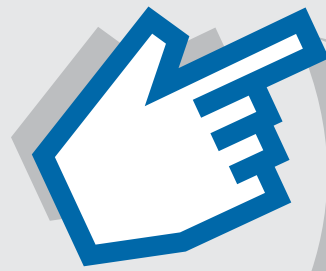


The Next Chapter of Digital



The digital transformation of the UK's traditional industries is about to enter an exciting new chapter, according to **Narry Singh** of Accenture. **Caroline Nodder** reports

Chapter One in the digital revolution of traditional UK industries is drawing to a close, says **Narry Singh**, the charismatic MD & Head of Digital Strategy at Accenture, who works closely with some of the country's foremost CEOs to prepare them for the next crucial phase in their digital development.

"In the past decade, most organisations have done what we call 'Chapter One' digital work," says Narry. "They have typically launched an e-commerce business, hired a chief digital officer, built a digital marketing team, launched mobile apps or even started an 'incubator' or 'accelerator'. But these efforts for the most part, were seen as an add-on to the core business.

"What we are now seeing is the beginning of the end of Chapter One and the start of Chapter Two, in which digital is moving from being an add-on to being a core part of the business. Instead of using digital to 'keep up', companies are now trying to become digital on the inside. In our view, this represents a massive new opportunity for organisations worldwide."

A serial entrepreneur, with a background in digital that stretches back 20 years, Narry came to the UK from Silicon Valley in 2014 to work with senior executives seeking to digitally transform their businesses. He believes that the key to a successful digital strategy in the next five to 10 years will lie in changing organisational structures and instilling a 'digital mindset' in leadership teams.

"Organisations don't need a digital strategy, they need a strategy for a digital era. Chapter Two of digital is not about digital as an add-on," explains Narry. "It is about creating new structures and incentives; finding ways to attract talent and ways to work with third-party partners, thereby breaking this mindset that exists in many organisations to control and own everything. It's about being digital on the inside of an enterprise."

Breaking the Mould

The transitional phase of the revolution underpinning Chapter Two is already taking shape as many businesses create Chief Digital Officers (CDO), Chief Client Experience Officers and/or Chief Data >



Scientists, but Narry sees these roles as catalysts rather than a long-term solution.

"We are seeing a lot of Chief Digital Officer roles being created, and our experience shows that most of them have been hired from other industries. For example, the CDO of HSBC came from Google, while the CDO of Argos came from eBay. However, this is at best a transitional role. Having a CDO today could be very helpful, but if you still have one five years from now, you are in trouble."

The advantage of injecting 'new blood' into traditional businesses goes beyond bringing in practical skills and experience. "It's not just about skillset," says Narry. "They come unencumbered by the traditional legacy thinking of an industry. It's very hard to have a banker completely re-think banking, but if you don't know anything about banking you could set up the structures for a relevant,

KEY MEASURES OF A SUCCESSFUL DIGITAL STRATEGY

One of the key metrics for digital success is the proportion of revenue and growth that is driven by digital.

Narry explains: "For example, stores are now seeing 10 per cent of their store traffic driven by digital – it's not digital traffic, it's store traffic, but it's driven by digital. Other measures are more subtle. How much more quickly and efficiently can you bring new products to market? How much more effective are you at attracting digital talent? Those are the questions I would start with and they very quickly tell you if you have a good digital strategy or if it's just cosmetic."

“Organisations don't need a digital strategy, they need a strategy for a digital era”

modern operation, and you don't have to 'unlearn' anything."

But with this type of structural change come a number of challenges. "When they fail, they fail for many reasons," he comments. "It's often because there is no clarity in the authority they have – the division of responsibility between them, the Chief Marketing Officer (CMO) and the Chief Information Officer (CIO) is unclear. And we have also seen examples where they don't understand the politics of the organisation; there is massive internal tissue rejection of anything new. They might have fantastic ideas but they underestimate the complexities of the internal processes and the IT systems to execute anything meaningful."

There is also a danger, believes Narry, that CEOs see the creation of the CDO role as a solution in its own right. "Most CEOs look at the CDO as some kind of saviour who can solve all of their digital problems – but very often there are structural challenges. So if we're thinking about a large retailer and the CDO is looking to implement a new personalisation tool that will give promotions to customers, they will have to go through several different

groups and boundaries, including IT, to get this executed. If they don't have the responsibility for the teams and the resources, it is incredibly hard to do."

Reporting structure is critical to the success of a CDO role, with most successful CDOs reporting to the CEO directly, and being given access and responsibility across a wide range of functions. "The traditional view was that they sit with IT," says Narry. "Or sometimes in marketing, which is great, but there is a whole lot of digital value outside of marketing – so for example if you are GE or Snyder Electric most of your digital value and benefits are actually in your supply chain."

Ultimately the creation of the CDO role is a positive move by most businesses, but it is a role that has an expiry date, according to Narry. It should be viewed as a catalyst for the change needed to create a fully integrated digital culture. It's a means to an end because as he puts it: "If you still have a CDO in five years you have clearly lost the plot". ■



Narry Singh
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Narry relocated to London in 2014 after two decades in Silicon Valley. Among his successes, he helped Outfit7 (creators of 'Talking Tom' and other mobile apps) become one of the largest mobile media companies in the world, with over 1.2 billion users in 104 countries.

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