

Living and Breathing Digital

Creating a 'digital culture' within an organisation presents a huge test of leadership. **Criticaleye** finds out how it can be achieved

Unless companies find a way to adapt to new technology and reflect the changing expectations of customers, they will struggle to compete effectively.

According to <u>research</u> by tech consultancy Accenture, 52 per cent of the companies in the Fortune 500 that have gone bankrupt, been acquired or ceased to exist since 2000, have done so in large part due to digital disruption. This shows how tough it can be to adapt.

For large, well-established organisations, deep-rooted changes are required. **Julian Payne**, Line of Business Director for Solutions at De La Rue, a banknote printer and supplier of identity and product authentication services to governments and multinationals, says: "If you're a first-generation digital start-up business or technology company, you don't have to think about digital culture, you just have it. You have an agile development team... you are open to change.

"Whereas if you're working in a bigger business or a business with a significant non-digital legacy... you've got to think about the DNA of the culture that you want to create... It means thinking about what's happening in the wider context."

Laura Haynes, Chairman of brand consultancy Appetite, explains that digital needs to be part of the core business: "People think about digital as being something outside their regular business issues, but it is time to think differently and recognise that the first way to reap the benefits of a digital culture is to break down silos and integrate digital thinking and processes throughout the business."

It's about connecting established practices with the new and reaching a balance which allows digital to enhance or adapt the traditional offering. **Bal Samra**, BBC Commercial Director and Managing Director of BBC Television, comments: "Our values at the BBC are always going to be the same... but we are in a different world – it feels like everything is speeding up... You need to create a ▶ culture in your organisation to evolve from the old to the new."

Senior executives in an organisation need to take the lead on digital. Bal says: "The CEO has to set the pace of the vision... So that means constantly talking about the world around us; how it's changing, and moving that from being scary to being an opportunity."

In order to fully endorse digital, leaders must understand the tangible business benefits. Paul Brennan, Chairman of cloud infrastructure software provider OnApp, comments: "A lack of awareness of the value proposition means you could miss opportunities, so education is important for senior executives to fully embrace digital."

They need to be honest about where gaps in expertise may lie. Mike Greene, Chairman of pharmaceutical and consumer healthcare company WinchPharma Group, says: "Boards need a diverse mix of experience, energy and ambition ... If they haven't got someone who's digitally savvy... then their board is missing something."

Julian says you have to "remove fear and derisk digital" through experimentation and education: "Get them to play at home more. Ask them to use some of the modern apps.

"You also need an interpreter role; it might be your CTO or head of R&D. Someone who can take relatively complex concepts of digital and introduce them to a board - it's something that we've found particularly useful at De La Rue. Crucially, you have to be really clear about where the customer value lies, the cost to achieve it and the steps to take."

Younger employees are increasingly being approached to share their digital expertise.

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Paul comments: "You need to utilise younger people who are going to be the consumers of your products and services in ten years' time, to understand how they want to communicate with you."

Allied to this, employees should be allowed to experiment and test ideas. "You fail fast and learn," says Bal. "You've got to create a culture which allows people to challenge the conventions."

For this 'digital culture' to be meaningful, it has to be joined-up so that the information generated can inform decision making. "New technologies enable us to act in a very different way," says Emma Cooper, Managing Director of UK Health and Public Sector, and Organisational Change Lead for the UK and Ireland, at Accenture. "They allow us to tap into workers anytime, anywhere... Digital is changing organisations, silos and hierarchies."

Helen Murray, Chief Customer Solutions Officer at Webhelp UK, which provides outsourced customer services, says: "Huge insights can be gained from analysing conversations, utilising voice and text analytics, to truly understand customers' emotions, frustrations and behaviours, and combining that with more traditional, structured data analytics... You need

to ensure all customer engagements consistently reflect and represent the brand.

"Digital is critical to businesses... It's essential that digital is in the company's DNA, not a separate operating unit ... It needs to interface seamlessly with the rest of the organisation."

Large corporates may struggle to embrace a truly digital culture, but senior executives must rise to the challenge. Ultimately, leaders need to ensure they are open-minded and willing to learn, while utilising new technologies and data in order to empower employees to meet changing customer demand.

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