The Digitisation Challenge

The drive towards a digital future appears relentless, but there is no one-size-fits-all solution. **David Hobbs** examines what businesses should be prioritising

The need for organisations to develop and adopt new technology has been accelerated by the pandemic. With digital opportunities and customer demands combining to drive mass disruption, businesses must prepare for the future by reviewing their value chains and reskilling their people.

"Customer expectations have shifted during the pandemic and much of that is being driven by new opportunities offered by technology," says **Jerzy Nagorski**, Senior Relationship Manager at Criticaleye. "Those businesses currently behind in the race to digitise are in danger of being left standing by their competitors. Add in the economic effects of COVID-19 and some will face existential threats."

Mike Hobday, Chief Revenue Officer at AntWorks, believes the big challenge facing businesses is making the right use of the technology in the post-pandemic world. "I think every Board will be saying, 'we need to digitise faster'. Businesses must leverage this to achieve the operational resilience to deal with the pandemic and what will follow. There's tech out there for almost every problem but most organisations have chased after the technology without identifying what their problem is," he says.

Digitisation isn't just about cost savings and short-term resilience – smart businesses are also on the lookout for entirely new revenue streams. "It's a big issue and a big challenge – how do I digitise my organisation, and how do I scale and drive these technologies through my business consistently while ensuring it's in step with my IT?" **Mike** says.

> **❝ We need to think hard about the nature of jobs and how we reskill employees ❞**

Ismail Amla, Chief Growth Officer at Capita, has observed a rise in automation initiatives. Many of them are at the pilot study stage, but where they have gone into production, they have had a big impact.

"This is particularly true in industries that are ahead of the curve, including telecoms, retail and high-tech financial services. These sectors are leading the way in adoption," he says, adding that from a functional perspective, the automation journey seems to be following the money. An example is retail, where the huge surge in online shopping has accelerated technological change.

"Tesco is working with tech company Swisslog, to roll out automated robots in their logistics centres across the UK. This could see a reduction in the need for physical staff by 90 percent.

"Organisations that look to transform rather than replace are where the success will be. They will look end to end and ask: 'How do I do this?'; 'What's the value chain?' and 'How do I do it in a new way?', rather than 'This is what I do today, how can I automate this bit of it?'" **Ismail** says.

But where should organisations focus their limited resources, which are currently under considerable pressure? **Mike** sees reusable solutions as the key and warns that too many pilots can become disjointed and costly.

"You can end up with an ocean of analogue with islands of digital and they are all in different formats. To drive AI and automation and digitisation at an enterprise level you need to be organised, and one of the key elements of success is re-use. That drives a massive improvement in the speed of automation because you're reusing investments."

Centralising the knowledge and capability and then making that available to the whole organisation will provide consistency, **Mike** says. "Have a clear vision of what you want, because if you let the organisation use robotic process automation and AI wherever people think it might fit, there'll be no overarching destination for the transformation. Be clear what your digitisation priorities are, then pull your skills together." ➤

Bringing Your People Along With You

It is crucial that you bring your workforce with you during any transformation. **Shelley Davies** is Director of Automation and Process Excellence at BT Group, where she says they have focused on communicating to the workforce that although cost reduction is an important reason for digitisation, it does not automatically mean headcount reduction. This has helped create alignment to deliver the strategy as well as given people the confidence to contribute.

"Everything we do relates to the two elements of our strategy, which are rolling out fibre and standardising and simplifying our business," **Shelley** says. "We have top down support, but we also have a very vibrant ideas portal that enables people further down to come up with their own ideas on how we can help them change their business, and be rewarded for that.

"We see people as the key enabler for what we need to achieve, so if you don't involve them you won't get the business benefit."

The World Economic Forum expects 133 million new roles to be created by 2022 through human-machine workforces, with nearly half of them coming through retraining. Businesses will have to plug the talent gaps as well as plan strategically for the transition and keep concerned employees on side. For **Ismail**, this is where the HR function will be key.

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"The skills that the computer can't master, such as creative thinking, problem solving and negotiating, those are the real gaps because I'm not sure we've really defined what that means," **Ismail** says. "We're at a point where the most important role in any Board is going to be the HR lead. The talent question is going to determine whether an organisation is positioned for success."

Ismail anticipates that routine and mundane jobs will be taken away from humans. "The interesting work that remains could include areas such as quality control, revenue, running automated systems, improving AI model performance, and also exception processing – patterns that don't conform to the norm and where a human is needed. That interaction between humans and machines is where the big change will come.

"The issue we have now is we're charging forward with digitisation and automation at an accelerated rate, but we need to think hard about the nature of jobs and how we reskill employees to match that pace," he says.

Shelley again: "It's crucial the workforce feels included in the digital discussion, because you can't do this in isolation. You have to understand what those new jobs look like. It's about restless reinvention," she says. ■

Catch up with Part 3 of our podcast, Leadership in Uncertain Times, with Criticaleye CEO Matthew Blagg discussing what lies ahead for CEOs and senior executives.

Featuring Commentary From:

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