



# The Digitization Buzz: Focus on the mindset, not on the tools

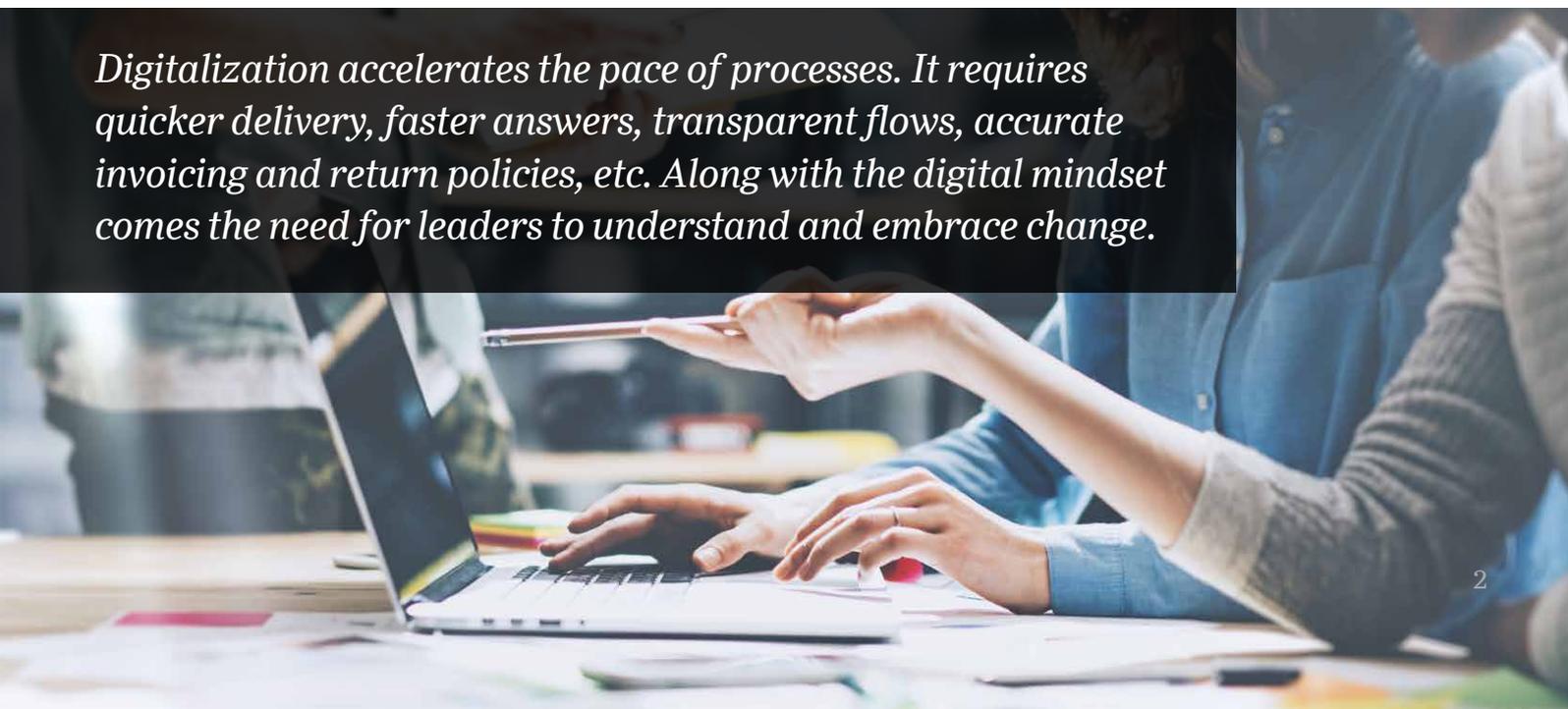
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The buzzword in corporate strategies across industries and regions today is undeniably ‘digitalization’ – this word is considered by many boards and executive committees to be both a huge opportunity that comes with a variety of risks. Chief Digital Officers have been recruited and on-boarded, innovative software tools have been implemented and are accessible on mobile devices, data and even big data can be analyzed for predictive decision modelling. Still, nobody sees or mentions the elephant in the room: a tremendous number of companies are not ready and not even aware of the true dimension of digitalization, in all its disruptive and auspicious forms.

A common mistake made by companies is seeking digital readiness in tools: Can the Chief Digital Officer (CDO) implement the file sharing software? Connect to digital communication platforms? Increase social media visibility? Upload all data to the cloud? Improve the website with Search Engine Optimization, analytics, etc.? However, digital strategy is not about the tools or the processes – it is about the mindset. The CDO should utilize the tools that serve their goals; this makes a presumption the CDO has a set of goals and planned objectives. A CDO needs a clear mandate and full empowerment from the CEO, the Executive Committee and the Board. They are not so much an innovator as an advocate for change and transformation. New tools only work if people embrace them, see the need for change, and adopt the new processes.

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Leaders in a digital enterprise will need to be competent in both operational and cultural change management. The digitalization disruption will lead to a new definition of human capital: Man and Machine creating more value through seamless interaction. Digitalization will demand new behavior in all functional areas of the organization; Human Resources will become more data-driven, measurable and leverage analytical tools; Finance will have more actionable insights and information for strategic decision-making; Sales will be able to target their prospects with valued-added offerings; Marketing will be able to develop predictive models and resources to understand customer engagement and drivers for desired outcomes; Information Technology will play a broader more strategic role as a business partner to the leadership team.

## So how does the Chief Digital Officer fit into this equation?

1.

### **The Digital Diplomat:**

It is human nature to resist change. CDOs will face more of an influential and diplomatic challenge than an innovative visionary challenge. They must be both the digitalization team coach and captain. CDOs need to receive a clear mandate and empowerment from the leadership team.

2.

### **The Digital Devil's Advocate:**

Some companies innovate for the sake of innovation. The CDO needs to reverse the process and challenge the objectives of digitalization. The CDO needs to validate the sustainability and viability of innovation to ensure tools are embedded in the context and aligned with the organization's corporate strategy. Setting agreed-upon digital goals will require inquisitive and provocative discussion.

3.

### **The Digital Dreamer:**

The CDO needs to be able to set a vision for the future; think creatively and 'out-of-the-box', contest the 'as-is', push the 'to-be' forward. They should be abreast of new technologies, and know which ones are viable for their business. To do this, the CDO is a global citizen, able to think across cultures and borders, a multi-business savvy executive.

4.

### **The Digital Sherpa:**

Finally, the CDO is a guide. Without Tenzing Norgay, Sir Edmund Hillary would have never reached the top of Mount Everest. Similarly, CDOs will help C-level executives in the organization overcome their digital challenges, and eventually making their role redundant. We will soon see the birth of the Digital CEO, Digital CFO, Digital CHRO, etc. Digital disruption is real and it is now. Either leadership behavior adapts or it becomes obsolete.

To conclude, the digitalization challenge is one of human leadership competence and not just technological tools. To grasp the digital opportunity, leadership should focus on the human side of innovative behavior.

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