

Realising Digital Ambition Through Talent and Culture

By SCOTT SNYDER and CHRISTOPHER UHRINEK

Companies face a unique mix of cultural and strategic set of challenges in undertaking digital transformations to meet changing consumer demands and emerging digital competitors. Addressing these challenges starts with defining a clear digital ambition and the role talent plays in making it successful.



Most companies understand the value a digital transformation can generate, but many struggle to capture its value. A recent Heidrick & Struggles survey of companies in the Asia-Pacific (APAC) region revealed that only 35 per cent are satisfied with the results of their current digital efforts.

The three biggest obstacles identified are lack of articulation of a digital strategy (39 per cent), lack of necessary talent (33 per cent), and moving too slowly (33 per cent).

The good news is that there is a significant appetite among APAC governments to help businesses go digital and future-proof their economies. For example, Singapore's Government Technology Agency had indicated that S\$2.8 billion of government infocomm technology contracts would be given out between April 2018 through to March 2019, a shade more than the previous year's S\$2.4 billion.

APAC companies, for their part, should focus not exclusively on technology but also on articulating a strategy, developing the workforce, and establishing a culture that accelerates progress.

A successful digital transformation takes a company from a traditional approach to customer experiences and operations to one where digital is used to innovate new approaches to existing tasks and processes, and to incubate new offerings and business models.

Moving target

The destination is inevitably a moving target, since new technologies are always emerging. By striving for digital acceleration, which can be

defined as the ability to successfully develop and scale new digital initiatives across the business, companies can build the capabilities and infrastructure that will allow them to smoothly manage both current transformation projects and test future innovations in parallel.

Digitally accelerating organisations should take a few clear steps to achieve a well-defined and understood strategy for harnessing digital capabilities.

First, leaders should clarify their digital ambition. They can assess the future of their market by asking some basic questions – for example, what opportunities will exist to deliver step-change outcomes like a 10X improvement in customer value, what skills and capabilities they will need, and what the skills gap is likely to be. The answers will help them better articulate their digital ambition, the way it leverages their existing assets, and how to close the gaps.

Then leaders can begin to build the internal infrastructure to support that ambition by asking themselves: What will the journey look like, and how can processes be reworked to help along the way?

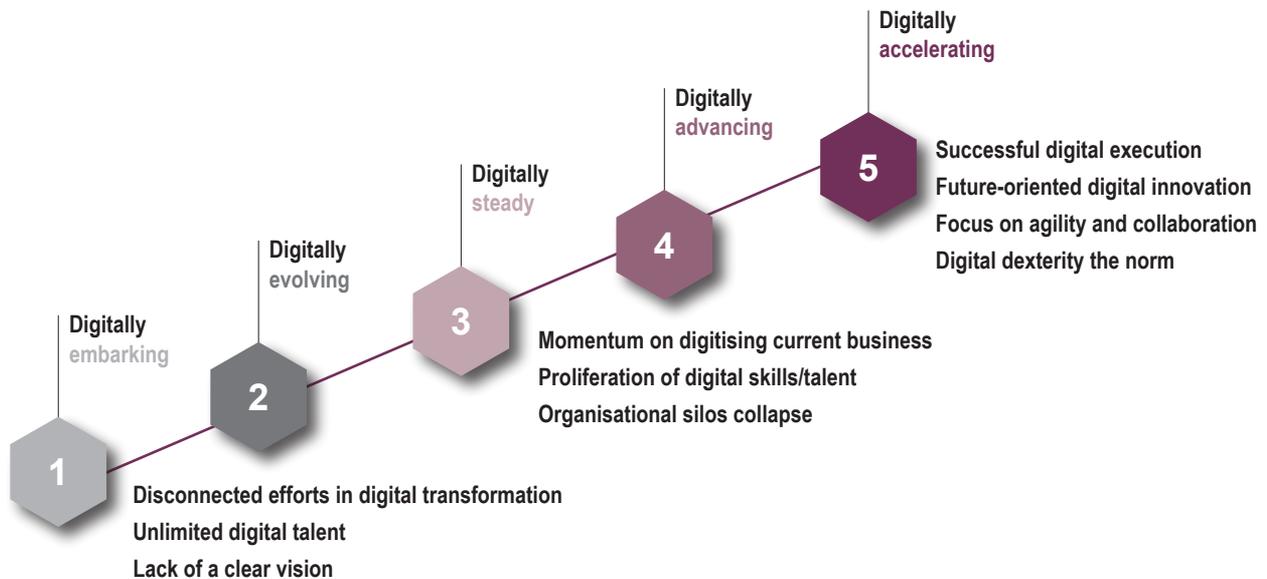
Lastly, to ensure they stay on track, organisations can measure their progress along the five stages of digital maturity and focus on developing their leadership, workforce, and culture to advance. (See box on “Measuring Digital Acceleration”).

Investing in talent, skills and capabilities

More often than not, talent is the limiting factor when pursuing digital acceleration. Only 23 per cent of APAC companies surveyed consider their

Measuring Digital Acceleration

Where are we today? Where do we want to be in 12–18 months?



Source: Heidrick Consulting LLC

digital talent strategy to be ideal, and 57 per cent believe they need a new or different talent base. The best approach starts at the top and reaches across the entire workforce.

While 33 per cent of companies say they create strategic roles such as a chief innovation officer or chief analytics officer to spur progress in their digital efforts, this move alone is not sufficient.

Though not all leaders need to be technical experts, every executive should be an effective driver of digital change. Indeed, the entire senior management should evolve their digital capabilities to match their company's evolution (see box, "Shaping Clear C-suite Roles for Digital Acceleration").

Transforming the workforce

Companies must also raise the digital dexterity of the entire workforce to truly build a long-term advantage. Organisations can support their employees in a number of ways:

- Bring on external hires, partners and freelancers who can fill current digital capability.
- Balance institutional knowledge with new hires' perspectives, and factor in the increased impact of automation on the workforce.
- Look beyond acquiring designers, developers, and data scientists to anticipate critical emerging roles – for example, incubation managers or behavioural scientists.

Developing a supportive culture

Two aspects of culture are particularly important to digital acceleration.

First, companies should support and reward two types of innovation. "Big I" innovation is disruptive, looks to the future, and can fundamentally change the way a business operates. "Little i" innovation continually improves the core business.

Second, companies should also create a culture of continuous learning, in which people are

Shaping Clear C-suite Roles for Digital Acceleration

Role/digital influence	Light influencer- Digitally Embarking stage	Moderate influencer- Digitally Evolving/ Steady stage	Driver/shaper- Digitally Advancing/ Accelerating stage
Chief Information Officer	Define and manage enabling digital infrastructure	Own enabling digital infrastructure/services and business-to-enterprise apps	Own all digital infrastructure and app portfolio
Chief Technology Officer	Recommend digital architecture	Own digital architecture and development standards	Own digital product development
Chief Digital Officer	Evangelise digital possibilities, set standards	Coordinate digital portfolio across business	Lead overall digital portfolio
Chief Marketing Officer	Set marketing related digital standards	Own overall digital user experience and coordinate all business-to-consumer apps	Own all customer-facing digital opportunities
Chief Human Resources Officer	Acquire select digital skills	Coordinate with digital leaders to design/ deliver in-house digital capability building	Drive workforce of the future strategy and deliver state-of-art employee experiences
Chief Data Officer	Drive data access and modelling standards	Jointly develop of new AI/data-driven digital products	Use digital to fuel AI/data product portfolio and innovations
Chief Product/ Innovation officer	Integrate digital into product development/innovation activities	Own digital products related to long-term innovation	Own digital product portfolio
Business Unit Digital executive	Inform digital portfolio with business unit requirements/opportunities	Work with tech/digital team to deliver/manage digital apps. Own ROI.	Own development and management of digital portfolio for business units
Corporate Ventures executive	Recommend/manage corporate investments to support digital	Jointly support digital ecosystem with business unit and functional owners	Own digital ecosystem and external digital product incubation

encouraged to build new digital capabilities. When training is combined with support, communication, and knowledge sharing, the result is a workforce with the tools to innovate and solve problems more creatively.

Many enterprises have advantages they can use to protect and expand market share. In particular, APAC companies report a higher-than-global adoption of disruptive technologies such as the Internet of Things, artificial intelligence, and conversational interfaces. This makes APAC an

ideal test lab for new digital innovations that may be ahead of other regions.

But tech adoption alone will not create sufficient digital acceleration to win. The most successful APAC companies will build the capabilities to ensure they have the right talent at the right time as well as a culture that supports continuous learning and breakthrough innovation. ■

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