

**Delivering on Digital
How to make
transformation happen**

Culture and Mindset

Starting the transformation journey demands a new kind of thinking, practice, working behaviour and sharing of ideas. Do you have the expertise to make this happen – and if not, how can you develop it?

Few buzzwords have received the same levels of hype as digital transformation in recent years. According to everyone from journalists and business leaders to analysts and academics, transformation is essential for firms looking to tap into new markets, become more customer-centric and adapt to rapidly changing business environments.

But it's not easy. Business change of any kind is hard.

So where do the main challenges lie? In the first of a three-part study, we look at how organisations are navigating the cultural challenges of transformational change, from the boardroom to individual workers.

Board buy-in

“The challenge is that initially nobody wants to try. Everybody knows it's a good thing to do, but they're apprehensive about putting money and time into it,” explains Piyush Gupta, Senior Executive Vice President in charge of Business Transformation at India's Reliance Industries. Kaz Kempers, Head of IT at ABN Amro in Hong Kong, agrees. “I think as IT heads we all want to be innovators and we all have great ideas. However, often when you try to push an idea, it's met with scepticism: it's going to cost too much or it's too risky.”

Overcoming that initial resistance is key to success, however. And that means getting the support of your senior team is critical. Research from the Project Management institute shows that up to 43% of project failures can be linked back to insufficient executive sponsorship – and this is particularly true in a transformation program that will likely touch multiple (if not all) aspects of the organisation.

“It absolutely has to be a top-down initiative,” argues Damion Howlett, Customer Engagement & Digital Transformation Director at insurance giant AXA.

“This is a big bet for the company; we're going to invest significantly, and we're not going to worry too much about whether we can see a business case because it's more about business survival. We can't just be talking about incremental revenue or cost savings; it's about survivability.”

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A cross-business change mandate

ABN Amro's Kempers holds a similar view but feels that merely getting executive approval is not enough. "The driver has to be the board," he says.

"But you need to go further than just getting management buy-in. You need a management mandate. We shouldn't be fighting for buy-in, we should be getting a mandate to change. It's why a lot of companies have problems embracing the digital future."

Indeed, while tools, talent and skills are all critical pieces of the digital puzzle, they mean nothing if you do not have the desire to change in the first place.

"There's a cultural aspect to digital that goes way beyond the technology," says Neil Sholay, Head of Digital at Oracle.

"It's a mindset change."

And while finding that mandate is key to driving the internal transformation needed to make a success of digital, the catalyst for that change is universal: improving the customer experience across the board.

The customer-first approach

"You need to make it seamless and easy for people," insists Citi's SVP and Head of Digital Marketing for EMEA and APAC, Aman Chawla.

"Everybody is trying to push out new ways to get their clients to easily engage with them," agrees Kempers. And for Italian-headquartered global banking giant Unicredit, customer-centricity is central to its digital transformation roadmap.

"You have to take a customer-centric approach," says Arnaldo Transirico, the group's Head of Business Strategy. "This means that we try to understand what customers might need in the future, and we try to find solutions that are technology and data-driven."

The customer experience needs to change because expectations are changing. "We need to start thinking digitally, because the expectations that our clientele have from us as a bank are changing," suggests Bala Nagaraj, Digital & Technology Officer at Commerzbank.

"We need a change in strategic perspective from the way we currently do things."

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Bala Nagaraj, Digital & Technology Officer, Commerzbank

How we can drive the digital mindset

Oracle's Neil Sholay offers his top tips for success.

Take a design-centric approach

Are creative-types finally getting the recognition they deserve? "I'm seeing the ability to design things becoming a core discipline in successful brands. The organisations that are really good at designing things, experiences, products or business models, those are the ones I think that are going to pull away."

Push the boundaries

Changing the organisational mindset is one of the most critical steps. "Those businesses that are highly motivated to change and experiment are the ones that see the greatest success. You change the culture by experimentation. You learn by doing as opposed to fearing."

To find out more about how change leaders are tackling digital transformation and making change a practical business reality, read our other ebooks on [change tools and technologies](#) and [making change executable](#).