DIGITAL DNA 2018

How to organize, operate, and behave for digital
Digital is woven into everything.

**Personal/Consumer**
The digital lifeline

Digital technologies are woven into the fabric of everyday living.

Family and friends stay connected, scheduled, and entertained. We can track our health, socialize, shop, bank, travel, learn, and dozens of other personal activities.

**Society**
Technology as an enabler for the digital era

Technology has become ubiquitous and embedded into everyone’s lives.

The explosion of connectivity, data, ease of use, computing power, accessibility, and the rapid pace of innovation have brought technology into our homes, mobility, and societal resources.

**Business/Employees**
Digital disruption in every sector

Digital is transforming every business and touches every employee in a unique way.

Some industries are being turned inside out, while others are benefiting from the expanded capabilities. Marketing, customer engagement, employee productivity, sales, and many other business functions are being redefined.

For the first time in history, technology is pervasive enough and affordable enough to use with minimal learning interventions, creating business models and opportunities that never existed before.
What got you here, won’t get you there

WHAT’S DIFFERENT?

Less Stable Environment
- Massively replicating and changing ecosystem
- Acceleration: there’s not going to be a ‘time out’

What Rules?
- The rules, or lack thereof, are constantly changing

Target keeps moving
- No single project, technology, or solution will address needs
- It’s about creating capability to iterate, be agile, innovate, and collaborate as never before

Customers have new choices every day
- Long projects to market are too late
- Perfection can be your enemy
- Collaboration with customers is different than what you think

WHY IT MATTERS?

No real debate about whether digital business makes sense
- 85% of organizations see digital transformation as integral to business success*

Traditional business practices interfere
- 50% report traditional business practices interfere with the ability to engage successfully in digital business*

Companies disappear
- 50% of Fortune 500 companies disappeared between 1999-2009—and many more since then*
- Many business analysts note that the inability to operate in this new digital environment is a distinguishing factor in business demise*

MIT research shines a light on key challenges companies face when trying to become more digital

#1
reported biggest challenge impacting a company's ability to compete in a digital environment is lack of experimentation

63%
disagree their leaders share results from failed experiments in constructive ways that increase organizational learning

78%
of companies aren't pushing decision-making authority needed into lower levels of the organization

90%
indicated they need to update their skills at least yearly, with nearly half of them reporting the need to update skills continuously

66%
are dissatisfied with the degree to which their organization supports ongoing digital skill development

4x
more likely (64%) to develop digital leadership skills if you are a digitally mature organization than the least digitally mature organizations (14%)

Source: 2018 MIT SMR and Deloitte Digital business research
What can we learn from others’ digital journeys?
Many organizations swirl in an endless loop of ‘doing’ digital things – an illusion of being digital – rather than making changes to their digital mindset and their business, operating, and customer models.
Unsuccessful transformations are piling up because these approaches don’t work

WHAT NOT TO DO

Focus only on implementing new digital technologies

Try to ‘org design’ the way to digital

Approach digital transformation as a technology implementation

Just tell people to be more agile and innovative

Isolated victory or bursts of activity—then declare digital success

Hire or buy digital skills without also focusing on training existing talent in digital
Those crushing it have five things in common, tied together with the right Digital DNA

**Digital leader and talent development**
Build digital leadership skills and talent pool. Develop leaders who can excel in leading in the future of work, source digital talent, and train existing employees.

**Innovation culture**
Embrace a “succeed fast” approach to innovation that focuses on the end-user and desired outcomes.

**Balanced digital portfolio**
Understand how to prioritize initiatives and manage the digital portfolio.

**Cross-functional collaboration**
Break down traditional silos to improve collaboration across business units and functions.

**Robust digital ecosystem**
Leverage external partners (e.g., startups, tech companies, designers, academia, etc.) and not try to do everything themselves.
So how do you make the leap from where you are to being more digital?
Your DNA defines not only who you are, but how and where you work, who you employ, the technology you use, how you are structured, what you reward, and so on.
Do you have digital in your DNA?

Whether you’ve identified existing digital traits or unmet needs, Digital DNA must be embedded into your organizational DNA and matured if the organization is to become more digital.

Digital DNA* is a set of 23 traits, identified through research, that your organization can adopt or mature to become more digital. This DNA becomes the blueprint for bringing digital transformation to life.
Here’s what a few companies are doing to help achieve their digital ambitions using Digital DNA

<table>
<thead>
<tr>
<th>WHO</th>
<th>DIGITAL AMBITIONS</th>
<th>DIGITAL DNA</th>
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<tbody>
<tr>
<td>Global Technology Co.</td>
<td>Organize, operate, and behave as a digital leader in the technology world. Become more customer centric, agile, increase speed to value, build digital leaders, and continuously innovate</td>
<td>Architect and build a function that innovates digital business and operational solutions while enabling the rest of the organization to become more digital</td>
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<tr>
<td>Electric Utility Co.</td>
<td>To be a fully digital utility, capable of rapid innovation, with a digital ready workforce and organization in sync with the constantly evolving future of work</td>
<td>Focus on aligning digital technologies with how the org is organized, operates, and behaves—to keep shaping its DNA for everyday readiness</td>
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<tr>
<td>Military</td>
<td>Leapfrog from a traditional to a digital organization as rapidly as possible, providing the best digital technologies, organization, and readiness to better enable and support the mission</td>
<td>Enable the marketing function to “be” more digital while personalizing customers experiences</td>
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<tr>
<td>Global Bank</td>
<td>Hyper-personalize the bank’s customer experiences leveraging a digitally-able culture and workforce by enabling everyday customer-centric actions with digital skills and capabilities</td>
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Digital DNA enables you to organize, operate, and behave in digital ways

But what does it **look** like?
Digital DNA helps answer three important questions:

1. How digital are we today?

2. How digital do we need to become?

3. How do we get there?

6-8 Weeks

- **Determine overall digital maturity** and how digital you are for each of the 23 Digital DNA traits.

- **Create a blueprint of the new DNA** needed to help the organization or function become more digital.

- **Construct minimum viable changes (MVCs)** that help infuse needed Digital DNA into your organizational DNA.
Digital DNA is a catalyst for digital transformation

It’s not just about the technology—it’s about becoming more digital in the right places and in the right ways.

It’s important to know how digital you are today, how digital you need to become, and how to get there. This is done by DNA surveying, interviewing, and working sessions to isolate priority traits. Then, constructing minimum viable changes (MVCs) that will help infuse needed Digital DNA traits into your organizational DNA.

By leveraging your existing strengths, you can make Digital DNA your everyday DNA—changing the way you’re organized, operate, and behave.