

Future Ready Leaders: The Dos & Don'ts of Digital Transformation

Discover which strategies have proven successful for two executives leading digital transformations — as well as their advice for sidestepping common pitfalls.

For decades now, digital technology has been increasingly integrated into everyday life and work—creating previously unimaginable visibility, efficiency, and convenience for businesses in every industry and vertical. As the power of digital continues to evolve, companies are rushing en masse to create meaningful digital transformation, with [87% of senior business leaders](#) reporting it's a top priority for them. Yet [McKinsey reports](#) that less than 30% of all digital transformation initiatives succeed—and while you might expect digital laggards are only present in traditional industries, you'd be wrong. Among high tech, media, and telecom companies, [the success rate does not exceed 26%](#).

But for those who succeed, the reward is well worth the effort. After all, digital leaders achieve earnings growth that is [1.8X higher](#). Last year, 45% of digitally mature companies reported revenue well above industry benchmarks—[compared to only 15% of their less mature competitors](#).

The pace of change and innovation in technology and digital business strategies will only continue to accelerate. So how can you lead your company to succeed where so many others have failed? To help you answer that question, DHR International's Future Ready Leaders series asked two senior executives for their top dos and don'ts when it comes to digital acceleration and transformation. Here's what they said:

“If you're not investing in yourself, your leaders, and your entire team—staying on the front edge of that curve—then you're almost by definition going to fall behind.”

DO: Recognize that digital transformation is driven by people, not just technology.

From a financial standpoint, the investment in digital has never been so strong. In 2020, \$469.8B was invested in digital transformation. By 2025, that number will more than double and rise to over a \$1T.⁶ Yet it's clear that money is not enough. Buying technology is necessary, but what truly accelerates innovation is having talented people to wield it. Without people, processes, and strategy, a digital initiative can do more harm than good - resulting in siloed, disjointed operations.

John Walsh, Chief Strategic Accounts & Global Sales Officer at Accenture, puts it like this: “Increasing our digital capabilities, including reskilling our employees, helped position us to better serve our clients as we move into the future. The pace of change is so quick, that if you're not investing in yourself, your leaders, and your entire team—staying on the front edge of that curve—then you're almost by definition going to fall behind.”



Karl Johnson, Lead, Global Change and Organizational Development at Cargill, couldn't agree more. After interviewing senior leaders at 14 different companies, he expected to find challenges to digital efforts were generally created at the customer level. Instead, he shares, “What we learned really quickly is actually most of them are internal. So, as we dove in deeper as to why that was, what we found was there's really a compelling leadership challenge.”

The success of a digital strategy lives and dies by the investment in it from the leadership team all the way down to the newest employee. And it's not enough to invest once - making a concerted effort to keep your leadership team and workforce up-to-date on the newest strategies, skills, and technology is an investment that will pay off time and time again. Technology won't ever stop evolving. To maximize its impact, your talent shouldn't either.

DON'T: Lose sight of the big picture.

Like every other massive structural change to an organization, digital transformation and maturity is built over the course of years—with thousands of little decisions by employees of all levels influencing its speed and level of success. The single worst thing an organization can do is go into it without a plan. But most organizations know that: that's not where the majority fail.

It's much more common for organizations to have a plan—only to abandon it as complexity and obstacles pop up. This is where organizational agility can play a key role, offering the flexibility to evolve with challenges, rather than let them run your digital initiatives off the tracks. Regardless, it's essential that you, your leadership team, and your whole organization have a common vision to work towards.

As Johnson puts it, "Digital transformation is a bit like building a brick wall. In organizations where this isn't going as well, people are doing a great job of creating the bricks, but they're ending up with a brick pile. In the places that do this well, there are board level, senior executive, CEO, and his/her leadership team discussions. There's a real understanding of what the 3–5-year view is, relative to what digital transformation can do in terms of growing the business."

To reach true digital maturity, all levels of the organization must work in sync, with lower-level employees making bricks and passing them off to leaders who know exactly how and where to place them for the most impact.

DO: Harness the power of data to drive progress.

How can organizations really begin to move towards this enterprise approach to digital transformation? Johnson believes a good place to start is with data. And it's true: it would be wrong to discuss digital transformation without mentioning data. Easier than ever to collect, data can play a critical part in your digital journey—but only if you master the art of extracting actionable insights from it and using it to drive your leadership team's vision.

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He explains, "For some organizations, a good kind of entry point is really a conversation around data. And so again, one of the characteristics of organizations that are doing this well is they begin to realize that data is an enterprise asset." When they reach that realization, they're able to make an important mindset shift. "Let's stop approaching this from a fragmented view, clean it up, make it usable, and really turn it into an asset for our organization."

Once data is properly harnessed, leadership teams are able to understand digital transformation on a new level. It's not a cost, it's an investment. And again, more than the financial angle even is the attitude change that pervades the organization as a result. As soon as you're able to make that shift, you've got the buy-in you need to move forward.

DON'T: Limit the scope and spread of innovation.

The never-ending journey of digital transformation has no shortage of intended and unintended consequences. Walsh's advice? When something is working, follow it and see where it leads you—even if that means making changes you never expected.

He shares a personal example from his time at Accenture, saying “As we started to acquire more digital capabilities, we also found we changed the way that we consult and serve clients. We started to move much more into more creative processes, more design thinking kinds of sessions. It changed the conversation and the way that we actually collaborated and worked with our clients. It made our whole culture more innovative than it had been in the past. I think it put us much more sort of on the front foot to work with our clients as they thought about, ‘How do they drive growth? How do they innovate? How do they change?’”

Ultimately, that's what successful digital transformation looks like—a change that starts slowly, then permeates every part of the organization and culture until everyone around you is benefiting, too. The absolute worst thing you can do is put boundaries on what it's allowed to change or allow roadblocks to form. If you do, you'll miss out on countless opportunities to lead your organization, customers, and industry.

Making Your Organization a Digital Success as the World Accelerates Around You

In the end, digital is not a trend or a fad. It will always be necessary, a new staple of global business. You can lead your organization to success by:

- Investing in talent and facilitating constant growth
- Keeping the big picture in focus at all times
- Harnessing data as an invaluable enterprise asset
- Removing the boundaries and roadblocks to innovation

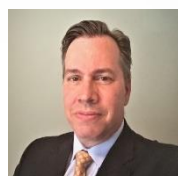
With a strong digital strategy in place, your organization can move from proactive to reactive, driving innovation rather than playing catch up as global business practices evolve. What follows is increased productivity, higher revenue, and a competitive advantage you can leverage for years to come.

Meet the Speakers



John Walsh

Chief Strategic Accounts &
Global Sales Officer, Accenture



Karl Johnson

Lead, Global Change &
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We advise clients on their most important leadership & talent management challenges.

The DHR Leadership Consulting team includes professionals who specialize in Board Evaluation, Executive Assessment, Executive Coaching, High-Potential Identification, Onboarding, Succession Planning, and Team Effectiveness.

We combine unmatched industry expertise with highly sophisticated, data-driven assessment tools to provide actionable results. Rather than create lengthy reports that sit on bookshelves and collect dust, we focus on interpreting the data and helping you make fast and accurate decisions about your talent. At every step of the process, we work as an extension of your team. We help you cut through the clutter, focus on the most important leadership attributes, skills, and behaviors, and gain alignment about what matters most.

Meet the Team



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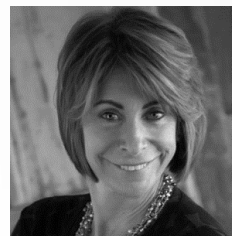
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