



Digital Transformation: The People That Make It Happen

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Introduction

Digital transformation occurs when advances in technology dramatically change the actions and decision-making of employees, customers, and other stakeholders. Digital transformation is pervasive; it impacts the organization's development of products and services, the customer experience, and how employees approach their work.

While organizations undergo various kinds of transformation in their lifetime, digital transformation is unique. The modernization of organizational processes and systems occurs at such a high rate of speed that organizations have no choice but to become more nimble and agile in their approach to doing business. More than ever before, business leaders must forge a new way ahead in order to survive in the digital age. According to a report by Gartner, 47 percent of CEOs across a range of industries say they are being challenged by their board of directors to make progress in digital business.¹ In the modern age, digital transformation is a requirement for survival.



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The Drivers of Digital Transformation

While there's no crystal ball to tell the digital future, organizations are already grappling with market and competitive pressures that dictate the need for digital transformation. Some industries have changed seemingly overnight with the introduction of new technological advances, even as long-revered blue-chip organizations fall by the wayside. So, what's really driving the need for digital transformation?

The Need to “Sink or Swim”

Companies in every sector and of every size have recognized that our world is a digital one, and that reality isn't changing anytime soon. Problems that were once onerous and resource-intensive have been solved by apps, software, and tools that simplify daily business challenges and make businesses more productive—and more profitable. Companies today must digitally transform or lose out to competitors who are already there. One research study found that companies that are considered digitally mature (those who have excelled in digital transformation) are 26 percent more profitable than those still in digital infancy.²





Outdated processes and people who are unwilling or unsure of how to change can put the organization at risk of falling behind or becoming irrelevant. Therefore, digital transformation often becomes a “do or die” decision to avoid losing competitiveness altogether. According to a study by technology firm Progress, 86 percent of enterprise decision-makers believe they have a time frame of just two years to make significant inroads on their digital transformation before suffering financially and falling behind their competitors. Fifty-nine percent say they may already be too late.³

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Years

The Customer Experience

Customers today live in a world of immediate gratification where their latest online search forms the basis for “you might like this” purchase suggestions. Customers have come to expect personalized, 24/7 service, and will spend their dollars with brands that can leverage big data and targeted content to provide convenience, savings, and value. One survey of consumers found that 80 percent prefer to do business with a company that offers a personalized experience.⁴

Evolving customer demand compels organizations to take a proactive approach to improving the customer experience. CRM and other customer data algorithms bring companies closer to understanding what customers want and need. With a rise in data-backed decision-making, companies can personalize the customer’s experience, alter strategy and tactics based on trends, and measure the results of sales and marketing activities in real time.



Attracting and Retaining Talent

Digitally minded talent is in high demand, and organizations today need to build a workforce with the skills and mindset to operate successfully in an increasingly digital environment. In a survey of C-suite executives, 90 percent said that digital transformation was important to their company's overall business strategy, but only 15 percent felt they possessed the talent and skills necessary to support such a transformation.⁵

To drive and execute digital strategy, overall talent management and employee learning strategies need a drastic overhaul. Employees today seek organizations that offer opportunities to build and develop their skills. One research study found that the majority of people, whether millennial or not, want to work for a digitally enabled company or digital leader.⁶ In a related study, researchers found that employees who feel there are no opportunities to develop their digital skills are six times more likely to leave the company within a year than individuals who have access to digital skill development opportunities.⁷ A successful digital transformation can help to attract and retain the individuals who will lead the organization into its digital future.



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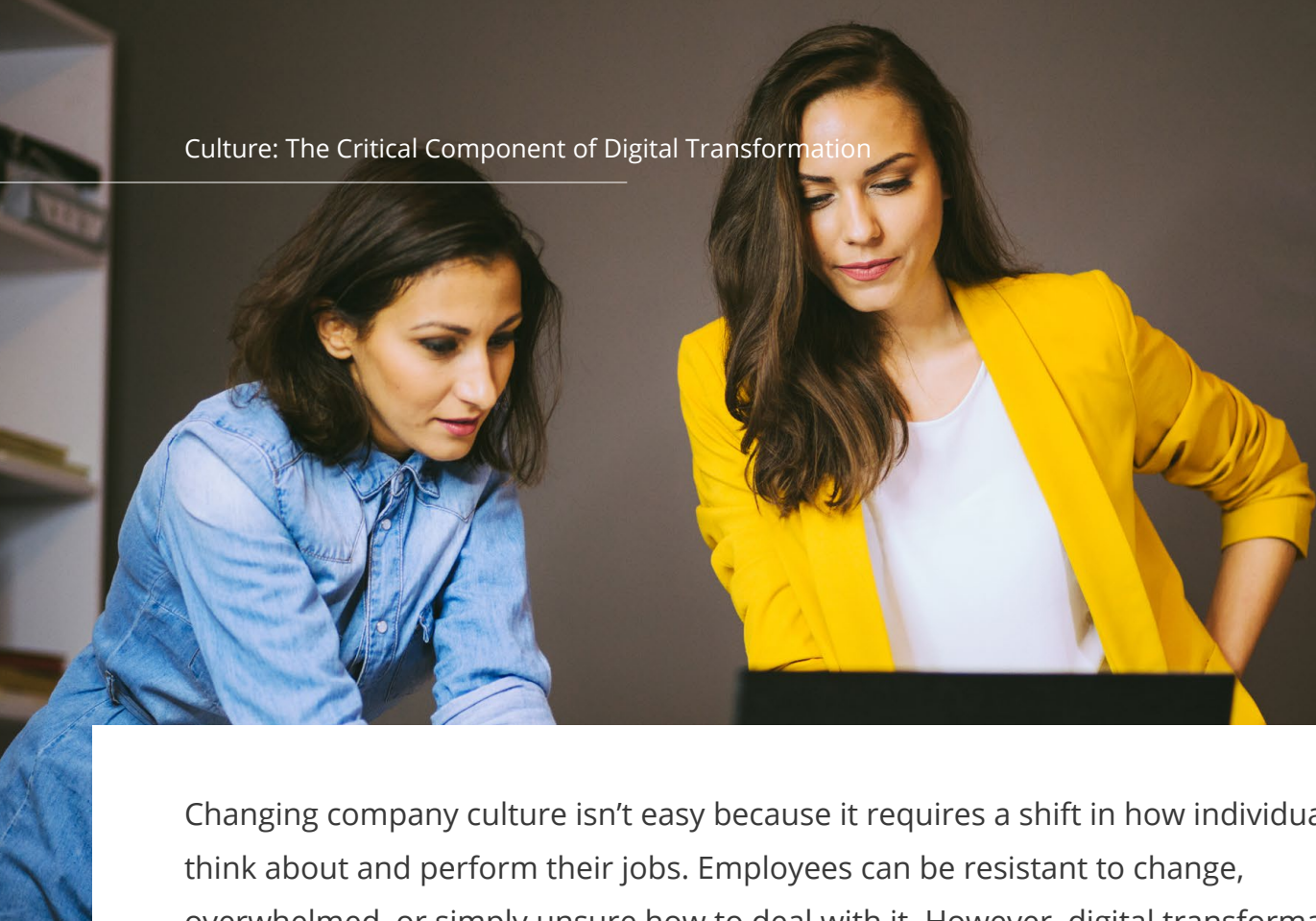


Culture: The Critical Component of Digital Transformation

Despite customer expectations and competitive pressures that oblige companies to act, successful digital transformation remains a challenge for most. Many organizations are not achieving the results they expected from a digital transformation, while others are off to a late start. In one study, 47 percent of survey respondents said they know digital transformation is important, but haven't started yet and don't feel ready to tackle the challenges of the digital era.⁸

Culture change that transforms employee attitudes and behavior is the missing ingredient required for a successful digital transformation. After all, digital tools can only do so much if people aren't using them effectively. Research conducted by Michael Gale, coauthor of *The Digital Helix*, found that among Forbes Global 2000 companies, 84 percent failed to achieve an effective digital transformation. According to Gale, many organizations don't succeed "because they're not prepared to change behavior. They think they can have strategy and technology and it just doesn't get them there fast enough or in a good enough way."⁹





Changing company culture isn't easy because it requires a shift in how individuals think about and perform their jobs. Employees can be resistant to change, overwhelmed, or simply unsure how to deal with it. However, digital transformation can't happen without a change in culture. A joint study by MIT and Deloitte found that the key differentiator between companies that achieve successful digital transformation and those who don't is a strategy comprised of culture where leaders and employees embrace change.¹⁰ Digital change doesn't just require technology; it requires a culture where people use digital processes and tools to make better decisions and work more productively.

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How to Lead Your Organization through Digital Transformation

Successful digital transformation requires intentional action that not only brings together the best digital tools and processes, but also positions people to use them in an optimal way. To lead your organization through digital transformation, it's important to take steps that address the people that make up a company's culture.

Harness the Power of Vision

It's not enough to tell people that a digital transformation is coming. People need to connect with a vision for change that cascades from the CEO and is demonstrated by leaders throughout the organization. Digital transformation won't be effective if employees see it as a "flavor of the month" or change for the sake of change. People need a clear line of sight to digital transformation. They need to understand why it has to occur and what it means for their life at work. While some may be reluctant to change, they will often be more open to the idea of a digital transformation if they understand the vision and see how it can make their work lives more efficient and productive.

Developing a vision for a digitally transformed organization requires examining the current state of the organization, defining where it should be, and then identifying the behaviors, processes, and tools needed to achieve the end goal. A well-communicated vision for change has the power to motivate and engage employees, reassuring them that senior leaders have their best interests at heart.

Define Expectations

Once people see and understand the vision for change, they need to know what's required to be successful. The more clearly leaders define how the digital transformation will impact each employee and function, the better the organization will be able to overcome obstacles such as skepticism, worries about job loss, and performance anxiety.

Clearly defined expectations that outline roles and responsibilities will set the standard for consistent participation across the organization. Some of the considerations for helping employees develop a clear understanding of expectations include:

- **Training plans** – how employees will acquire the necessary skills and knowledge to meet new performance expectations
- **Team accountabilities** – how individuals and teams will interact and collaborate within a new digital environment
- **Timeline** – when individuals will begin making certain changes, and where they will encounter milestones along the way



Communicate

Throughout the entire transformation process, organizational leaders and other change agents will need to address employees' questions and concerns with thorough, frequent communication. When encountering major organizational change, individuals often benefit from hearing important messages repeatedly and in different contexts—in one-on-one meetings, team discussions, and town hall meetings, for example.

Two-way dialogue is an effective way to ensure the transformation process stays on track. Employees benefit from having an outlet for sharing their ideas, insights about new experiences, and suggestions for greater efficiencies. Collaborative communication also provides opportunities for leaders to share progress and updates, and get employee feedback on what's working and what remains a struggle.

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Optimize the Impact

On a more micro level, digital transformation affects the makeup of individual roles and can lead certain tasks to be amplified, decreased, delegated, or discontinued altogether. At this stage, the vision for digital transformation remains firm and unwavering, even while individual roles and responsibilities continue to evolve. New ideas will emerge that may require a change in tactics, but the strategy must stay on course.

Digital transformation is more likely to stick when leaders work together with employees to determine which aspects of their work need to change. Direct supervisors help to optimize the impact of digital transformation by identifying opportunities for individuals to build skills through training, deepen their knowledge of new systems, and test new ways of performing certain tasks.

Sustain the Energy

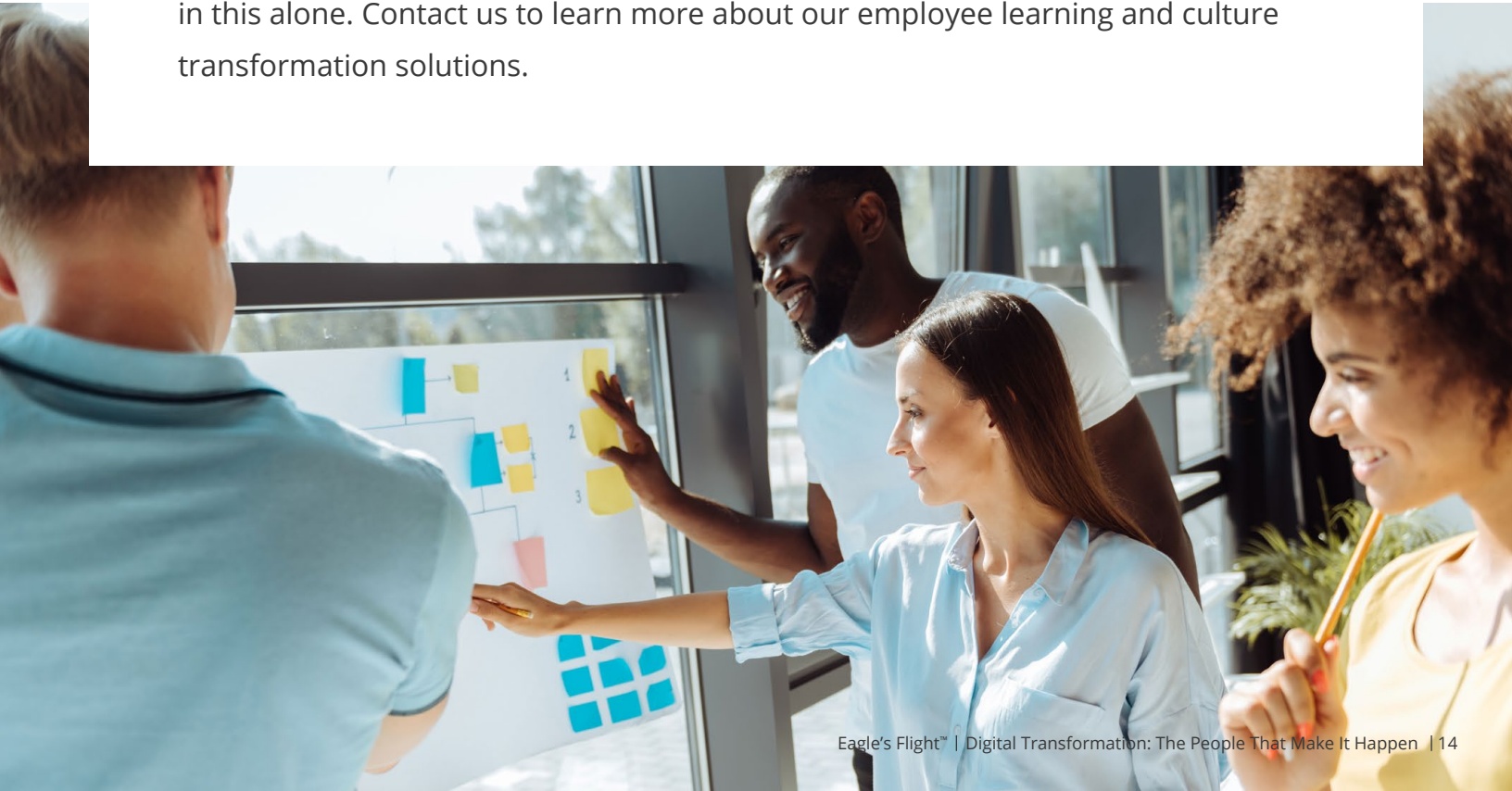
Transformation doesn't happen overnight, but new digital tools and trends are emerging every day, and this reality can present roadblocks and detours on the road to organizational change. Throughout the period of transition, it's important to keep employees engaged, motivated, and empowered to live out the vision for change. By constantly sharing progress, celebrating wins, and giving praise where praise is due, you're providing a constant reminder of the importance of transformation and helping employees see growth even when it isn't always apparent.

From the moment you communicate the vision for change until the organization realizes a full transformation, acknowledging and rewarding progress keeps the momentum going and lets employees know that the change initiative won't be abandoned.

Transform Your Culture with a Trusted Partner: Eagle's Flight

Digital transformation requires more than an investment in new digital tools and processes; it also requires a deliberate focus on changing the mindset and behavior of employees at every level of the organization. When employees understand the vision for change and have support from leaders and opportunities for learning new behaviors, you can develop a culture and organization poised to succeed in the digital age.

At Eagle's Flight, we understand that creating a culture that embraces change is a process that requires the involvement and commitment of every person in the organization. In our over 30 years of experience, we've learned that although digital transformation is essential to the success of any business today, change can be difficult and requires the support of an experienced partner. We've worked with numerous organizations and helped them implement targeted solutions to problems related to leading change and transforming company culture. You're not in this alone. Contact us to learn more about our employee learning and culture transformation solutions.





Since our founding in 1988, Eagle's Flight has developed and refined a framework for creating predictable, sustainable behavior change. We specialize in experiential learning and provide organizations with a better outcome by truly engaging the learner. Successful organizational development programs require ongoing work, but this can easily get lost in the shuffle of daily tasks that feel more urgent. Partnering with a provider that has a strong track record of helping organizations achieve long-term, measurable change will help ensure that your development goals are met.

If you would like to learn more about what a partnership with Eagle's Flight could look like, contact us today.

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