Digital Transformation for Leaders

simplilearn

Driving a Digital Culture and Mindset

Learning Objectives

By the end of this lesson, you will be able to:

- Define a digital mindset
- Describe how to drive a digital culture within the organization
- Discuss digital implementation
- Explain how to instill customer-centricity through design thinking

Digital Mindset

What Is a Digital Mindset?

A mindset is an individual's fixed set of attitudes or opinions on a given topic.

Role of Leaders in Digital Transformation

The stakeholders comprising of leaders need to change their mindset.
The mindset change is required because leadership is born through dramatic periods of change.

Role of Leaders in Digital Transformation

The role of leaders is divided into two subsets.

Internal

Internal agents recognize the technological needs of the organization and encourage teams to adapt to internal requirements. They must educate and inspire team members to evolve as change agents in the future.

External

External agents represent a community that have expertise with different technologies and can analyze its need in the organization.

Case Study: Audi

Audi is using social media tools to establish new forms of cooperation.

Audi received the Digital transformation Award, a renowned prize for digital corporate culture.

https://www.audi-mediacenter.com/en/press-releases/audi-wins-digital-transformation-award-4892

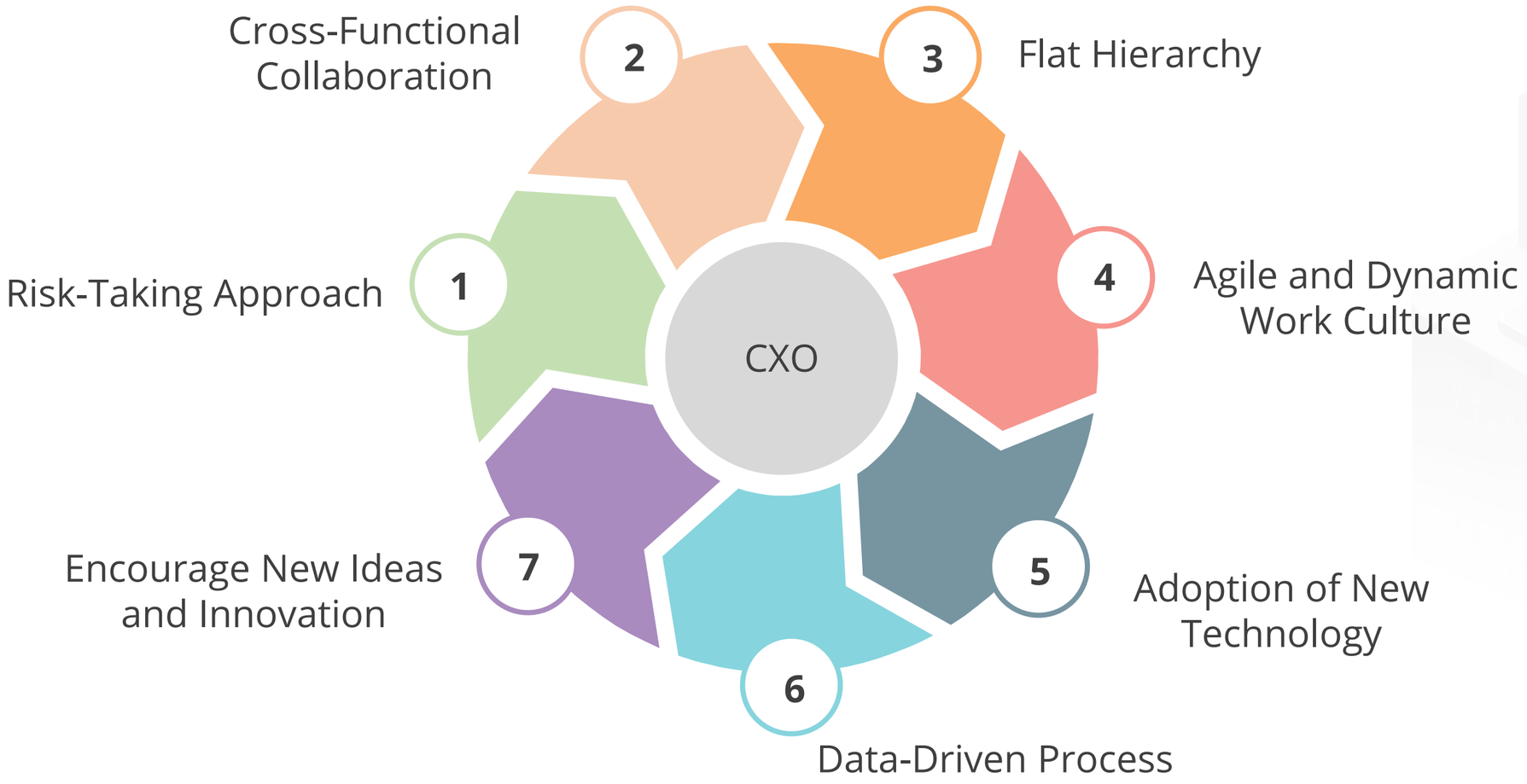
Case Study: LEGO

After a steady decline for almost a decade, LEGO had gone bankrupt in 2004. The company initiated restructuring and digital transformation. This improved its revenue with new sources such as movies, mobile games, and applications.

Driving a Digital Culture in an Organization

Driving a Digital Culture in an Organization

The leadership role calls for a change in mindset in the following areas:



Driving a Digital Culture in an Organization

- **Risk-Taking Approach**
- Cross-Functional Collaboration
- Flat Hierarchy
- Agile and Dynamic Work Culture
- Adoption of New Technology
- Data-Driven Process
- Encourage New Ideas and Innovation

To stay ahead in the competition, companies need to ensure that:

- Leaders are comfortable taking calculated risks to drive growth and achieve bolder targets
- Leaders should adopt risk-taking approach that empowers them to break self-imposed limits and uncover unforeseen opportunities

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- **Cross-Functional Collaboration**
- Flat Hierarchy
- Agile and Dynamic Work Culture
- Adoption of New Technology
- Data-Driven Process
- Encourage New Ideas and Innovation

Companies need to break down silos and boost cross-functional collaboration. The speed at which market changes requires companies to combine their internal capabilities to address complex and specialized customer needs.

This will ensure integrated value proposition, leading to first-time right delivery and boost customer satisfaction

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- Cross-Functional Collaboration
- **Flat Hierarchy**
- Agile and Dynamic Work Culture
- Adoption of New Technology
- Data-Driven Process
- Encourage New Ideas and Innovation

Digital adoption calls for change in the hierarchical structures of the organization that were meant for times when the environment wasn't very fragile and demanding like today.

A flat hierarchy is important as people from different backgrounds move from project to project in a fluid and agile way.

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- Cross-Functional Collaboration
- Flat Hierarchy
- **Agile and Dynamic Work Culture**
- Adoption of New Technology
- Data-Driven Process
- Encourage New Ideas and Innovation

It involves investing in digital opportunities for employees, streamlining organizational structures for agility, and applying the right technology.

Organizations need to create an environment that ensures agility in company's business operation, people, culture, and structure and align these to organizational long-term digital goals.

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- Cross-Functional Collaboration
- Flat Hierarchy
- Agile and Dynamic Work Culture
- **Adoption of New Technology**
- Data-Driven Process
- Encourage New Ideas and Innovation

Organizations today are investing in solutions and platforms that support both front office (employee invoked) and back office (taken from a queue or on schedule).

This can be achieved by putting together a team of consultants who have a logical mindset, programming experience, and an interest in solving business challenges.

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- Cross-Functional Collaboration
- Flat Hierarchy
- Agile and Dynamic Work Culture
- Adoption of New Technology
- **Data-Driven Process**
- Encourage New Ideas and Innovation

Data traffic is increasing at an exponential rate and so are the opportunities. Business cases are being created for data-driven innovation processes.

Companies are responding to the change in the consumer behavior. Data capabilities are vital to ensure that there is room for technology and people.

Driving a Digital Culture in an Organization

- Risk-Taking Approach
- Cross-Functional Collaboration
- Flat Hierarchy
- Agile and Dynamic Work Culture
- Adoption of New Technology
- Data-Driven Process
- **Encourage New Ideas and Innovation**

Organizations are finding more innovative and collaborative ways of working to ensure that they remain focused on their customers over and above their internal processes.

Innovation is seen as one of the winning approaches in the digital era.

Digital Implementation

Digital Implementation

To successfully adopt a digital transformation, an organization must have a holistic mindset toward technological progress. The organization must embrace the transformation and integrate it in the daily tasks of team members.

This digital Implementation and change in mindset can be categorized into four areas:

Data Architecture	Technology and Processes	Organization	Marketing

Digital Implementation

- It plays a very important role in the creation of strategies from increasingly large and complex data volumes.
- It refers to a set of rules and policies that govern and define the type of data collected.
- It is stored and managed within an organization and governs its database.

Digital Implementation

Data architecture is seen as a top challenge for digitizing business as most companies focus on getting the best technology without analyzing the need.

This leads to redundant and inconsistent data storage. It causes overlapping functionality and lack of sustainability in the process.

Digital Implementation

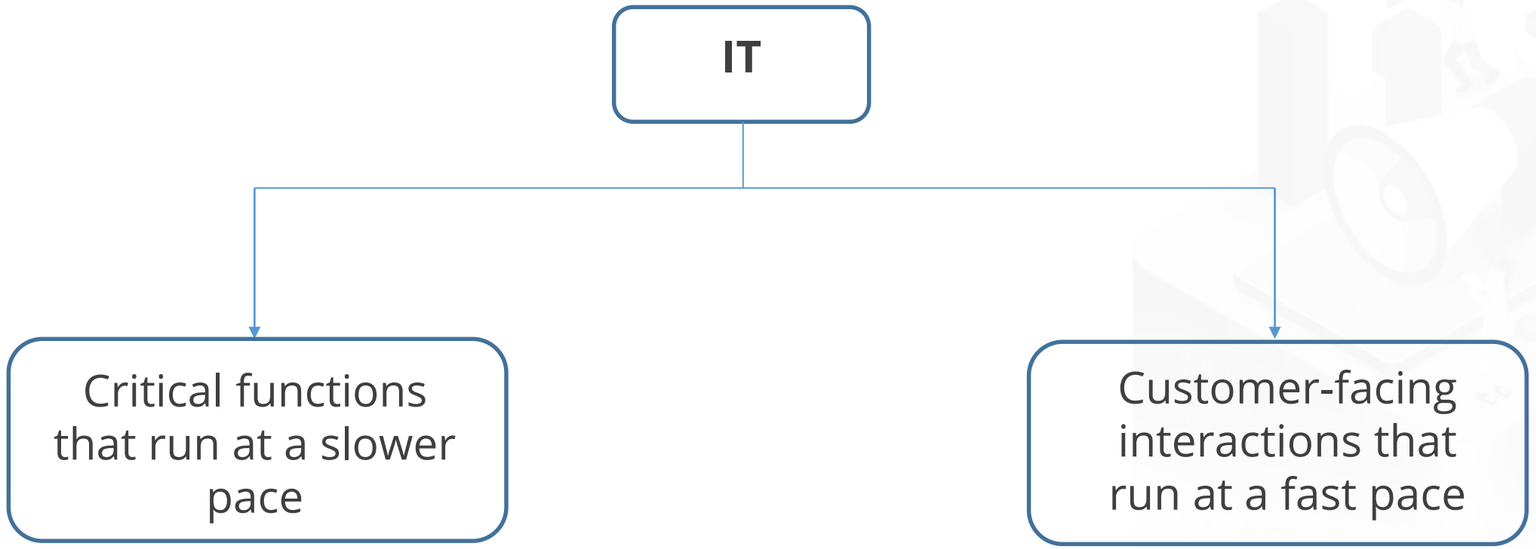
To effectively create an end-to-end data architecture, an organization must adopt an IT-supported digitization to:

- Analyze current and future business requirements
- Sketch a flexible data management architecture
- Create a roadmap for implementation based on its business usage

This approach is based on continuous delivery model. IT teams that specializes in cross-functional management, automate systems and optimize processes to release and iterate a software quickly and efficiently.

Digital Implementation

IT-based digitization involves creating a two-phased environment that decouples legacy system to support two functions:



Digital Implementation

- Digital implementation involves the process of integrating new technologies like Chatbots, Machine learning, and Big data to meet the changing needs of customers.
- Marketing automation process is adopted to ensure the optimum utilization of resources.
- Marketing automation is a software that automates the marketing process of an organization.
- It ensures that marketing tasks are prioritized and executed in a more streamlined and efficient way.

Digital Implementation

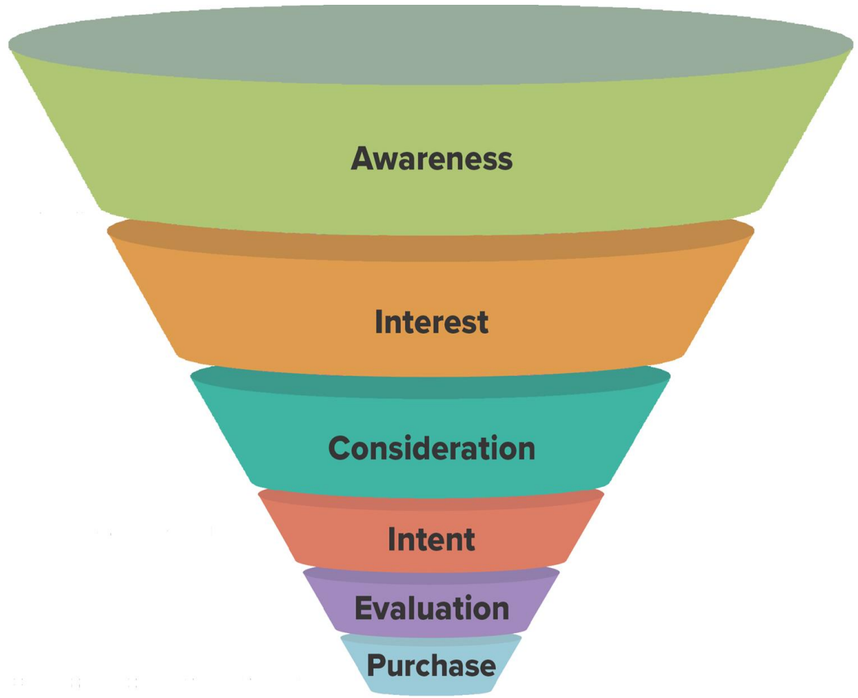
- Digital implementation in an organization is about analyzing and reexamining ways of doing business and being aware of new opportunities and threats to capitalize the emerging market.

- Digital in an organization is about:
  - Creating value at the new frontiers of the business world
  - Creating value in the process of overall buyer's journey that execute a vision of customer experiences
  - Building foundational capabilities in the form of technology to support the entire structure

Digital Implementation

- Data Architecture
- Technology & Processes
- Organisation
- Marketing

- The marketing approach of digital implementation involves using digital technologies in the marketing of products and services, mainly on the Internet.
- Digital integration with marketing enables organizations to provide personalized services to its customers across the marketing funnel stages.



Digital Thinking

Design Thinking: Introduction

"Design thinking is a system that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business can convert into consumer value and market opportunity"

- Tim Brown, IDEO

Why Design Thinking?

Design thinking steps out of the traditional boxes with visual thinking, creativity, and innovation in order to find new solutions to the same issues.

Focuses on the end user

Leverages collective expertise

Employs empathy

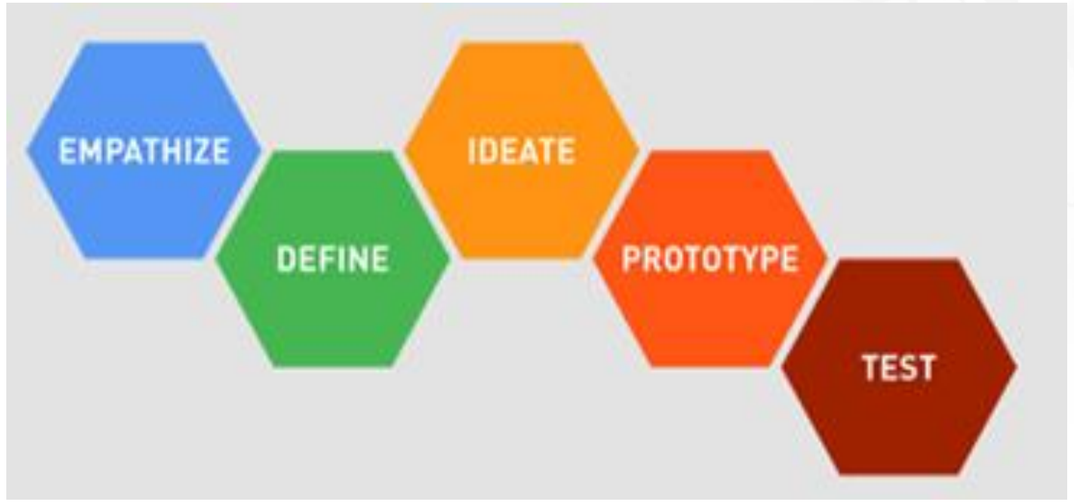
Focuses on testing

Creates value while solving real problems

Design Thinking: Stages

The five stages of design thinking:

1. **Empathizing** with users
2. **Defining** the needs and problems of users and giving insights
3. **Ideating** based on challenging assumptions and exploring ideas for innovative solutions
4. **Prototyping** to start creating solutions
5. **Testing** solutions



Design Thinking in Practice

- Design thinking has applicability in the New Product Development (NPD) stage.
- Design thinking is most relevant when designing and developing new solutions.
- It is a creative problem-solving approach focused on continuous innovation, iteration, and improvement around customer needs.
- A customer-centric approach is followed during direction, design, and development stages.
- After this, validation of the process in the form of analysis is undertaken.
- Design thinking is regarded as a non-linear, iterative approach that focuses on user needs, articulating frameworks, and formulating a strategy. It encourages a *fast acting learning* cycle.

A framework for Design Thinking

1. Find new opportunities

- Choose a strategic topic
- Gather data
- Evaluate unmet needs

2. Reinvent new opportunities

- Look for patterns and insights
- Evaluate assumptions
- Frame a point of view
- Define the scope of work

3. Incubate

- Incubate your idea with all required needs
- Evaluate ideas to improve them

4. Ideate/illuminate

- Experiment your ideas
- Explore new possibilities
- Envision the future needs
- Take measures to make your idea visible

A framework for Design Thinking

5. Iterate and Scale

- Evaluate
- Learn
- Create
- Innovate

6. Deliver

- Test the prototype
- Approve
- Launch

7. Testing

- Evaluate from user's point of view
- Refine and learn from end user

8. Improve the idea

Analyze the right approach based on the viability of the idea

Case Study: SAP

SAP, a German software provider, uses design thinking to tackle complex challenges and make its software more intuitive and easier to use.

SAP, through its educational platforms such as Massive Open Online Courses (MOOCs), made a deep ongoing commitment to reinforce design thinking. It trained thousands of design thinking coaches to enable customers to equally engage in experience design and built co-creation centers in different locations around the world.

Key Takeaways

- A mindset is an individual's fixed set of attitudes or opinions on a given topic.
- Leaders or change agents must work in two areas: internal and external.
- Digital Implementation and change in mindset can be categorized into four areas: data architecture, technology and processes, organization, and marketing.
- Design thinking finds new solutions to the same issues with visual thinking, creativity, and innovation..