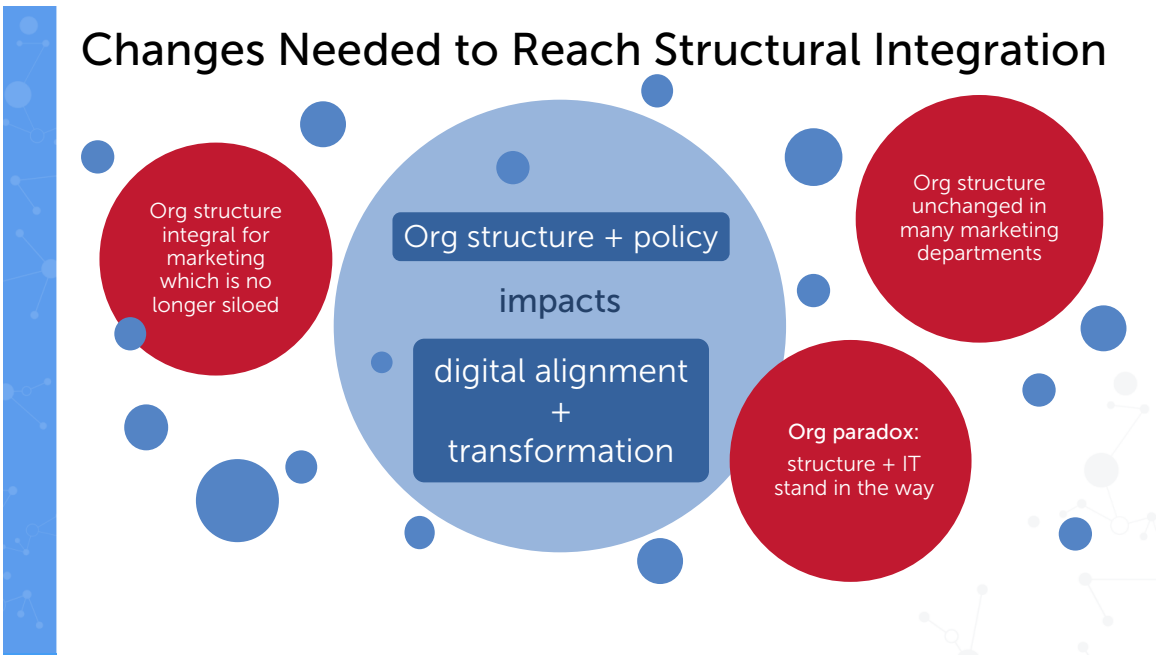
*DS 780*

# Data Science and Strategic Decision-Making

## Lesson 13 Introduction

## Structural Integration



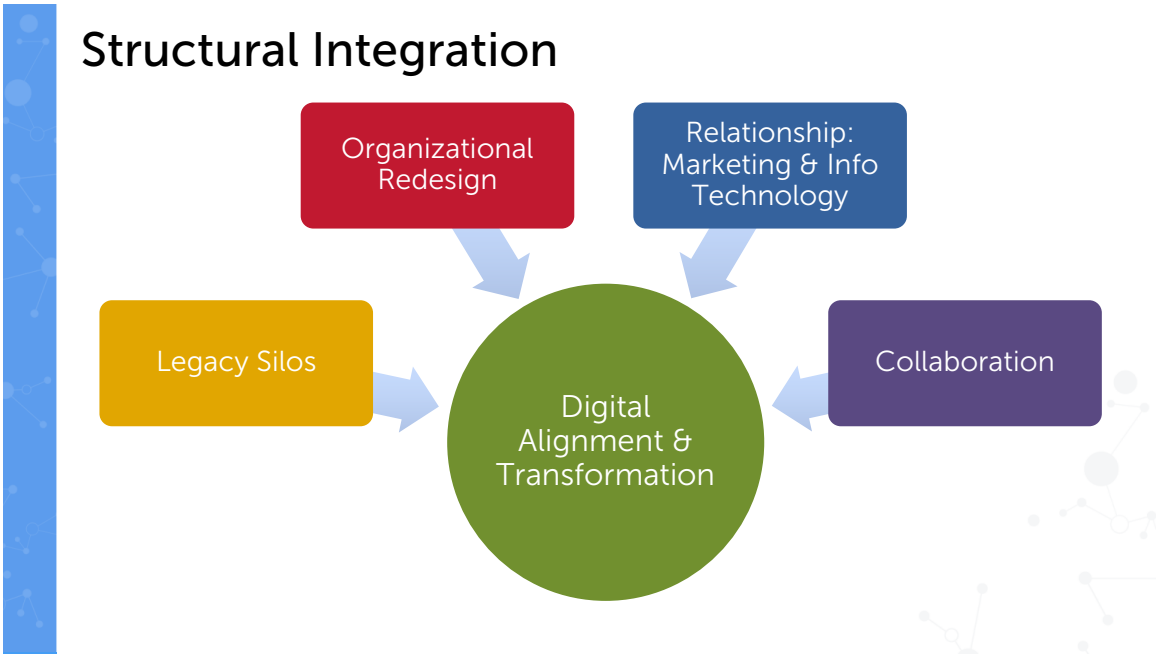

Welcome to week 13 and chapter 12 of the course. The topic in chapter 12 is structural integration, so actually bringing digital into an organization, and making the changes within the organization structure that are needed to make that whole process go well. The text points out that the organizational structure of an organization, as well as its policies, really can impact its digital alignment transformation, or its ability to align digitally and to transform. And then within that, it talks about three areas where change really needs to happen for an organization to be able to move ahead to structural integration.

In the first case, it's the fact that there needs to be change, structural change, for the marketing area in an organization, particularly because a lot of cases the marketing departments are no longer siloed as they were for the first decades of the existence of marketing as a major force in companies. So as they become un-siloed there needs to be some changes, structural changes in the company.

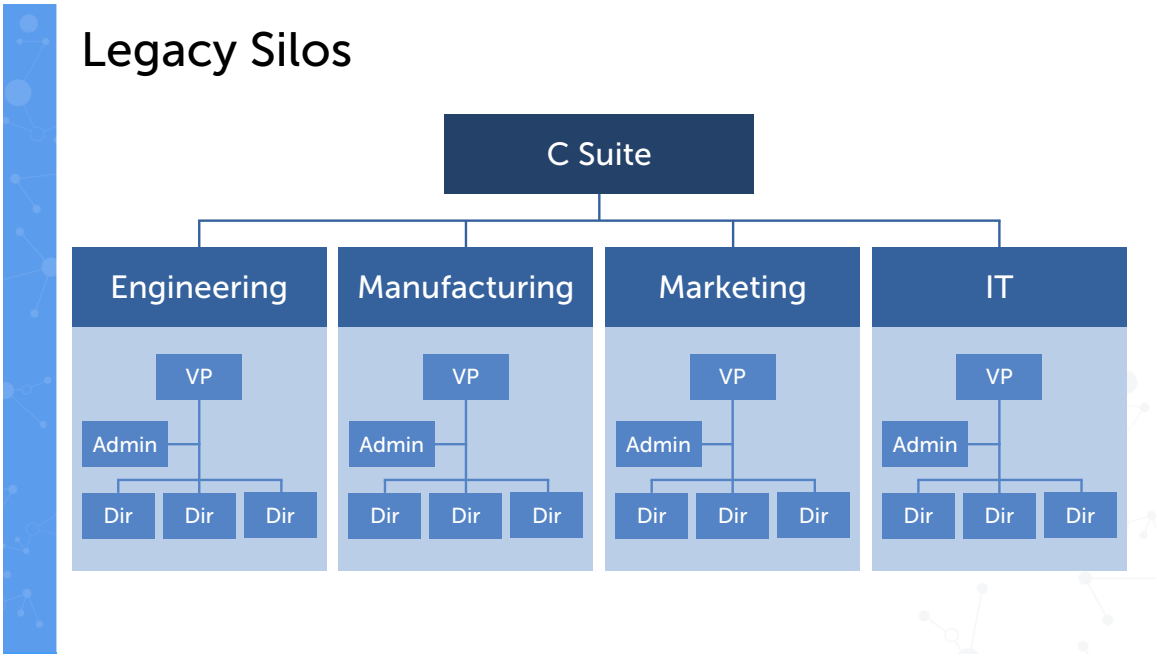
Secondly here, we've got a lot of marketing departments that still have not made structural changes. So these departments are stuck in the 1960s or '70s or '80s, and they haven't made the changes to fully take advantage of digital issues.

And then third, there's something called the organizational paradox, where companies expect to be able to make strides forward towards whatever their goals are because of the availability of digital technologies and so forth. But what happens is their structure, as well as the abilities of the IT department at the firm, can get in the way. So the very things that should be helping the

structure of the organization and the IT portion or department in the company, actually end up being things that the companies have trouble with, and start tripping over.




The text for this chapter is organized around four different elements or things that are involved in structural integration. That's legacy silos, organizational redesign, and then the relationship between marketing and IT, and then fourth, the whole concept of collaboration. So we'll start out with legacy silos, but all four of these feed into the ability of the firm to reach digital alignment and transformation.



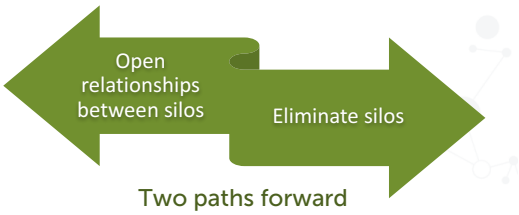

So legacy silos refer to the way a lot of organizations with traditional hierarchical structures are actually run, or at least what's on their organization chart. Sometimes they don't run that way but it's on their org chart. So this slide gives you an example of what legacy silos look like in sort of a pseudo org chart. And the blue rectangles, the vertical blue rectangles, are the silos. And in this example I've got engineering, manufacturing, marketing, IT, all in silos. And you'll notice that within a silo, and a silo is typically headed by a vice president of the company, there's some kind of organization chart within that silo. So the VP of engineering really heads up, controls, organizes all the engineering efforts at the company with an org chart that looks like this. And there's a bunch of people working for the VP. The problem with silos, of course, is that you're stuck in that silo. And if you follow the org chart there's no connections between the silos. So that means if somebody in engineering needs to talk with somebody in manufacturing, in theory they need to go up through their vice president and then through down through the vice president of manufacturing, if you're the engineering person trying to get a hold of somebody in manufacturing.

Now in practice of course, people should simply call or email each other, but, because of the responsibility, and the chain of command, and all of that, it's real easy for some of those sort of undocumented things that aren't on the org chart where you've got people talking between silos, for those to be cut off. Vice president could say, no, we're not doing that, don't talk to him anymore. And that's literally how the silos maintain this process of being sort of sealed containers. Now this structure works well in a lot of ways, it's particularly good for control, and in fact it comes out of command and control structures that

are quite old, and I think we may have mentioned some of these earlier, but tend to be military organization and religious organizations, If you go back far enough, that originated this sort of management structure. But, of course, that was a long time before the internet was invented.

## Legacy Silos: Shift in Org Mindset Needed

- Define Objectives and Expected Results
- Understand that DIO integrates:
  - Planning processes across cross-functional teams
  - Digital and traditional strategies
  - Independent operating departments
  - Communications
    - Management – Employees
    - Organization – Consumers
    - Organization - Community




Two paths forward

Now if an organization is going to move towards structural integration, and it has an organization that's siloed, there's a few things that need to happen. And as the book points out, one of the first is to figure out what the objectives and the expected results are. So you certainly would need to go through that process. And there's a good example of it for the BLS sample company in the text. But in addition to that, you also need to understand that digitally integrated organization, exactly what and how it integrates things. So they've got a list, and one of the first things-- the first thing on it is planning processes across cross-functional teams. Quite a tongue twister. So planning processes across cross-functional teams. So that refers to this process of actually how does the planning occur, and underline the planning, of course, is communications and a lot of other things when you're working in what are called cross-functional teams. So these are teams where there are people from the various silos involved.

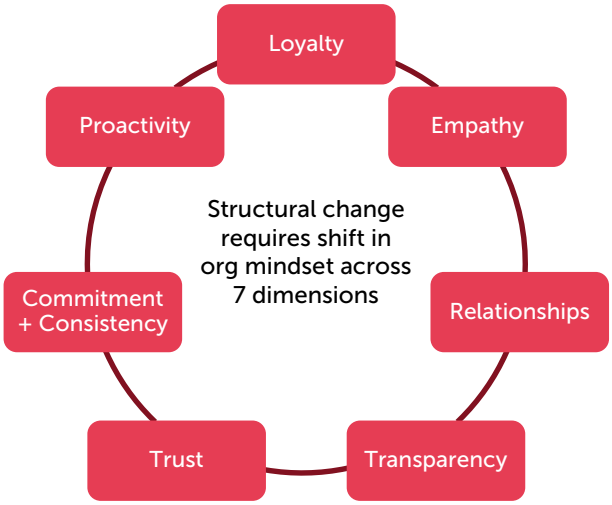
Secondly, have to be able to integrate both digital and traditional strategies in the organization. So you can't have different parts of the organization pulling in different ways, because they're working on a different version of the company strategy, and things along that line.

Third, what a DIO integrates, or if you become a DIO, you have overcome this process of integrating, maybe is a better way to put it. Independent operating departments, so those silos again. Each one of those was an independent operating department.

And then fourth, also integrates communications between management and employees, it's one communications flow. Another between the organization and consumers, and also between the organization and the community. And the text notes that this shift in the organization's mindset that's required to move beyond the legacy silos, there's really a choice of two paths. So we could move forward, one, by opening relationships between the silos. Having actually something on the org chart, for instance, that says this silo talks to this silo in this way. So we're literally punching holes in those silos. And of course, we would also want to encourage things that don't show up on the org chart, the informal communications that go back and forth as well.

The other path, the alternate path, is to work towards simply eliminating silos. Which really, you can translate that to mean reorganize the company so it is structured differently in terms of how it actually operates, and who reports to who, and all those other things. Now regardless of which path you choose, either opening relationships between silos, or eliminating silos, there-- according to the text-- are ways that you need to-- things you need to pay attention to, what they refer to as dimensions, that can work towards this internal shift basically in the organization's mindset.

## Legacy Silos: Change Requires Shift in Mindset




So the seven dimensions that if you're going to move away from legacy silos, there's seven dimensions to this shift in mindset that is required. So the first, if we start up at the top, is loyalty. And the silos are organized by department typically, and the people in that department in that silo, they become an organization within the organization. So they've got their own set of rules, written and unwritten maybe, they've got certainly their own agendas, political or otherwise, and the company reinforces it all by budgeting on a department basis as well. So their silos are actually end up fighting each other for funds. So there's a lot of ways that this creates a loyalty within the department as opposed to within the organization. And that's something where there needs to be a shift in mindset.

Second is empathy. So unless people can literally understand how people in the other silo feel, you're not going to have this empathy that's really needed for the organization to function as a single unit, as opposed to a fairly close collection of individual units. So this empathy is going to be important so that a lack of empathy doesn't end up blocking efforts to break down the silos and to make it one company, as opposed to a collection of departments.

The third item is relationships. And what needs to happen is that instead of sealing off the silo it needs to be defined in many ways by the relationships, between managers, employees, and so forth. But there also need to be relationships built and nurtured between what used to be silos. So that's something, again, where the mind set of the managers and the employees have to change. And that's not exactly an easy thing to do none, of the three so far are. And it doesn't get much easier as we go along.

The fourth is transparency. The center-- these relationships, there's usually a roadblock, and that's this idea that we need to kind of hang on, or keep some information secret from the other party. And well, yeah, if you're negotiating with somebody, or if it's a totally different organization, there's something to be said for that, in certain cases. But within the organization, and within the department, why are you trying to hold secrets back? And generally the answer is there's some kind of personal or departmental political agenda that's been advanced, and it's a game. But the reality is those games take away from the efficiency and the effectiveness of the organization as a whole. So it's something that would be better if there was a lot less of that sort of thing. So becoming transparent, not hiding things from people in another department, is another shift in mindset that has to happen.

Then trust, the fifth one. The book says it's four sided, is the way they put it. So four sided, F-O-U-R. They talk about the management team needing to trust employees with vital information. And this is one of the biggies, because a lot of times people think information is power. And traditionally it has been, so you know there's a reason for that. But a lot of times insecure managers make themselves feel better or more powerful by having secrets from their employees, because they're at the level where they can know the secret, and their employee isn't. And at the end of the day that can be pretty silly and nonproductive, and start to drive wedges between bosses and staff.

The second side they talk about is, department heads have to be able to trust each other, because otherwise how do you work together on a project? How do you work together on some problem that has come forward? How do you actually collaborate with somebody if you can't trust them? Or you don't-- And they can't trust you, or they choose not to. The root of that is usually in some sort of competition and personal agenda again. So those are the kinds of things where we need to be able to somehow find a way to wipe that away and come up with this shift in mindset. Like I said, it keeps getting tougher. Now the organization also has to share information ideas with their partners and suppliers. And this is something that happened a lot before digital was an issue. But now with a lot of this information flowing back and forth on digital channels, it's more expected, and with tighter supply chains and so forth, it's really a part of the process. So though those suppliers who used to be thought of as external, now you could almost think of them, well in some cases, companies do think of them, as pretty much internal. But certainly somewhere in between external internal, at the very least. They're a part of how you operate, and how you manufacture your product, or sell your product depending on what kind of organization you are.

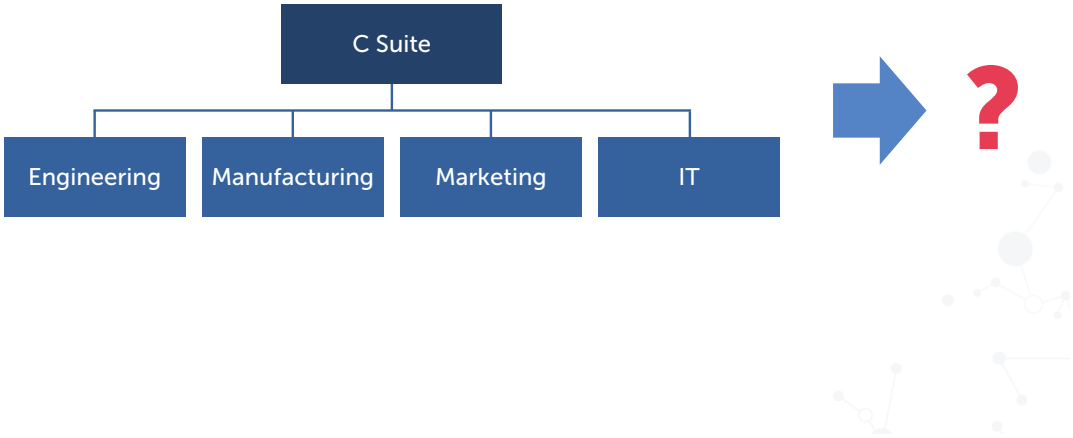
And then the last of those four sides of trust that the text talks about, is that the organization needs to be able to be honest in its dealings with customers. It wants to develop a level of trust with the customers. That's pretty important. That's basic business, that's basic marketing, that's basic customer service. Unfortunately it is always there, where companies adopt an Us and Them sort of mentality, and they see customers as people that are-- instead of people that are providing their paychecks and the livelihood of all your coworkers, they see customers as people who are out to cheat the company. And while you've got to have protections and all that against people who might choose to do that, you can't assume that every customer is out there to steal the company blind, and therefore not be honest with them and straightforward with them. That's another piece of mindset that needs to be changed.

The sixth is commitment and consistency. So in this case we're talking about really going back and looking at what the overall goals and strategy are. If there's a good strategic plan in place, and it includes all the pieces of digital integration and everything, then you're halfway there. But you also have to actually go about fulfilling that plan, implementing that plan, and do it all across the company. You can't have five departments going full speed ahead, and one department dragging their feet. It has to be a consistent implementation across the company.

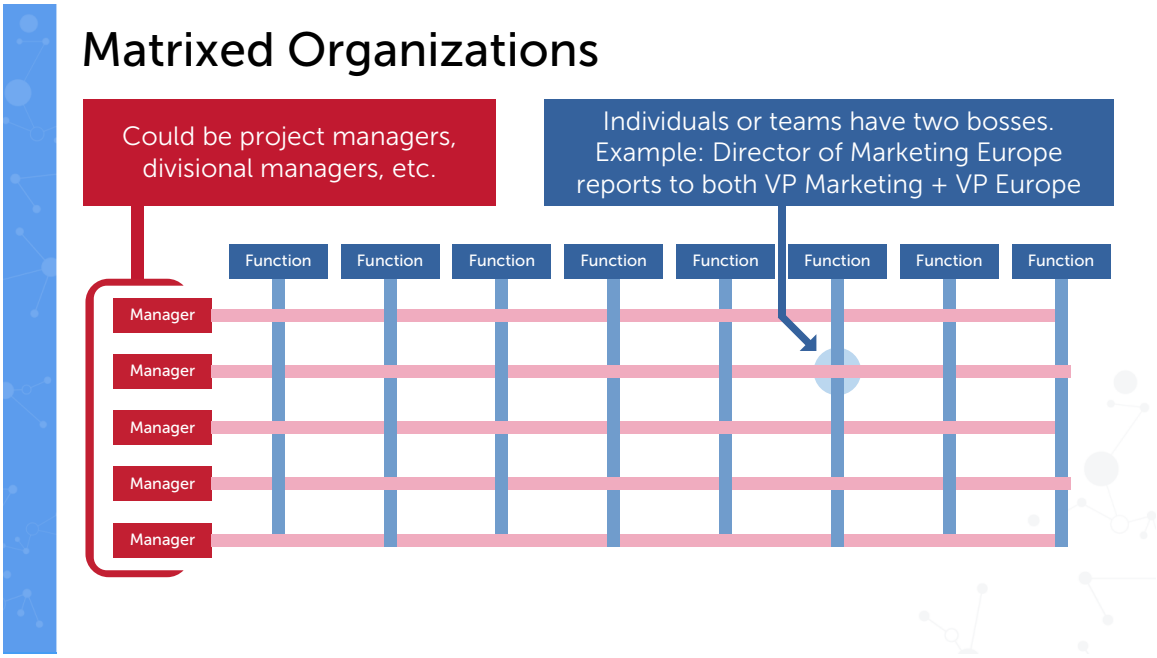
And then the seventh item. The seventh thing on the list here is a great word, pro-activity. So if the organization is truly trying to shift this mindset, and to actually have structural changes that will make a difference in its digital strategy, and the implementation of digital strategy, then they have to be proactive about all of these other sorts of changes that we've been talking about. And they have to be proactive about watching for things happening out there in their industry. They can't just sit back, put the blinders on, and try and move forward. They have to be able to push things proactively when needed, they need to be actually out looking and listening for competition, and looking and listening for new ideas that might bubble up through customers.

So all of that has to happen and of course if you're pretty far into this whole digital world, you also have a lot of data and information that can be streaming back to you as managers, and you would want to proactively monitor that and make use of it. So on a lot of fronts, management and the employees need to be able to not sit back, but to go out there and actively listen, actively watch, actively respond to a lot of cues in the environment, whether it be from customers or competitors or even-- well certainly suppliers, but even maybe other parts of their company.

# Organizational Redesign




The next section, titled Organizational Redesign, really boils down to one very important question, and then how you go about answering it and reacting to it. But the important question is, what exactly do you want to be when you grow up, as a company? How do you want to change? If you are in a siloed, highly structured environment, like the one shown here on the left, what exactly is it that you want to change to? Because you can't just say, well, we're going to reorganize. You have to have an idea of what this reorganization is going to look like, and why you want it to look that way. In other words, this particular type of organization will work better with your business, and allow you to move forward and get better results, and so forth. And of course, there's a lot of different styles and types of organizations. Lots and lots, and the authors don't attempt to go into that. I mean that's a whole other course, getting into all that stuff. But well, they do give you one example, a hub and spoke model which is not particularly widespread, but there's another one that they allude to in some places, and that's a matrixed organization. So on the next slide we'll take a look at exactly what that's all about.




All right, so unlike a siloed organization, where you've got a bunch of people in a silo that perform a similar function, so it's a department within the company. In this case you've got basically, call them pipelines, hallways, whatever you want to visualize it as, cutting across all of those silos. So into such a degree that there are really no longer silos, they're simply a sort of a loosely organized group of people. So where it says function, function, function across there, we can put whatever it is we want to and that fits the company. We had research-- or we had engineering, and manufacturing, and marketing, and IT in our example of the siloed organization. So there might be four of those there.

The difference is we've got these managers down the left hand side in the orange color, as opposed to the navy for the functions across the top. And these managers, in some organizations each one of those is a project manager, but in other companies they might be divisional managers, and they could be other things. And there's different kinds of divisional managers. Do you have a geographic divisions in your company? So you've got somebody who manages the eastern US, or the Western US. Do you have somebody who managers Europe, or somebody who manages China, or Australia, or Asia, or whatever your geographic boundaries are? Or, do you have somebody who manages electrical machinery? That's a particular division that you have, and then you've got another division that's plumbing supplies, and another division that's electronics, as opposed to electrical.

So whatever it is, whether it's geographic, or it's some sort of product related, or some other way of chopping the organization up in divisions, those managers are there. The functions are across the top, the engineering, the

manufacturing, the marketing, and so forth. So what happens, if you take a look over towards the right hand side there with the balloon, it says individuals or teams have two bosses. So there's an individual, or a team of individuals at the intersection of every one of those sort of blue gray and orange lines. So where that one's pointing out to there's a function up there, whatever that function is, so let's call that one manufacturing. So there's a vice president manufacturing there, and that's one of the bosses. But they also have one of those managers off on the left, and maybe that manager is the vice president for Europe.

So the people at the intersection are people that are concerned, and managing, and so forth, the manufacturing function of that company in Europe. What it means is they have two bosses, and that's kind of the downside of the structure. It has a lot of good things going for it, but a matrix organization where you get two bosses, that violates some basic principles of management. But the pluses are so great that companies are willing to overlook that negative where people end up answering to two different people. And they often can mitigate it by having somebody who can act as sort of a arbitrator if there's problems that happen. So somebody who has a level high enough above all of this, where you can take your case to a higher court so to speak, if the two managers are warring. And that gets the people out of the middle of it, which is where they'd be if you get two-- your two bosses are unhappy with each other.

But aside from that fairly significant shortcoming, there's a lot of pluses here. It makes the companies more flexible, and also much more fast at responding to things. It has the decision makers close to both whatever the function is, as well as in this case, the example I was using, the geographical area. But maybe we're talking project managers there, so somebody in the manufacturing function, but also somebody who lives and breathes this particular project. They're one and the same if we use this matrixed organization. So you start to see how this could be very, very helpful.

## Organizational Redesign Alternatives

| Traditional Silos | Matrixed Organization |
| --- | --- |
| • Focus is on control<br>• Communications issues<br>• Internal competition | • Focus is on projects or work<br>• Better communications<br>• Cooperation<br>• Problem: Control |

So if we take a look at these two alternatives to organizing companies, we can take a look at a handful of important differences here. In our traditional siloed sort of organization the focus is clearly on control. This is what this type of organization is very, very good at, keeping control of the people who work in the various silos. There are communication issues between silos. You get great communications within a silo, depending on whatever culture is developed that organization, that either reinforces the silos, or finds ways around the silos, depends on the company, you're likely to have communication issues. And also some of those other things we talked about earlier, maybe there's lack of transparency, some secrets being kept, all that sort of thing.

One of the reasons those things would happen would be if there's some kind of internal competition. Do you have a CEO at the top of all these silos who is playing vice presidents against one another? Maybe they're vying to be the next CEO, maybe they're fine for who doesn't get fired, or who gets the raise, or whatever it is, but you could have a CEO who's actually fanning the flames of this internal competition. And it plays very well if you're organized along the old silo method.

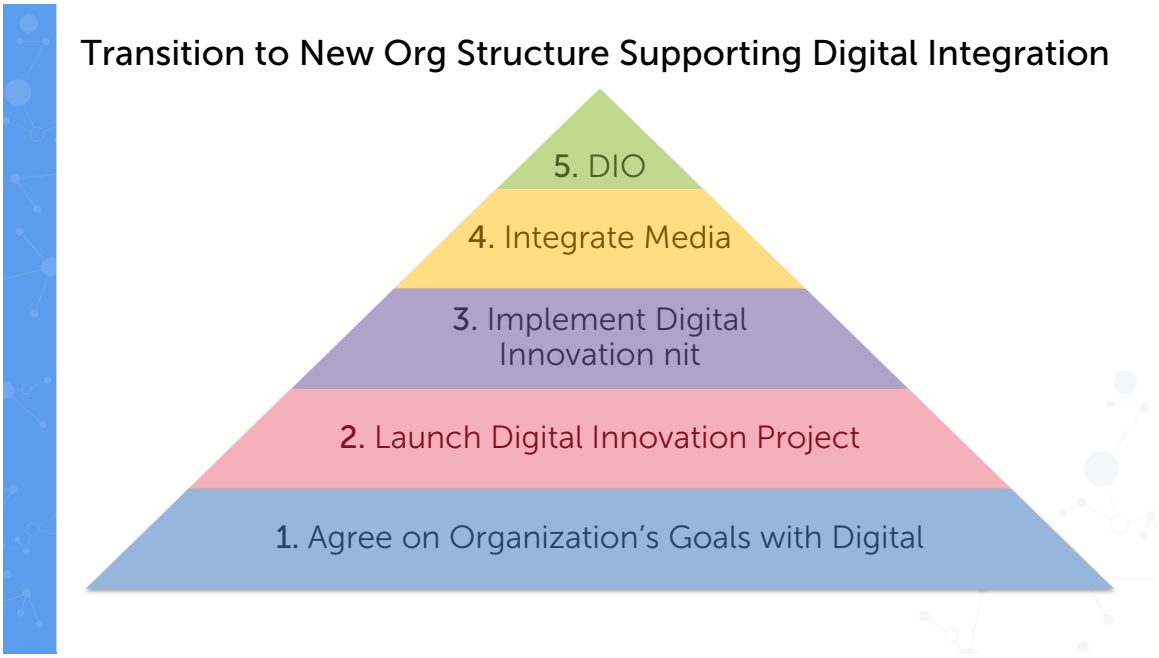
Now the matrixed organization, and there's lots of variations of matrixed organizations, the focus tends to be on the projects, or the work, or the geographic area that you're in, however it's organized. And I think you can visualize how that would happen. If you think back to the matrix we had up here, where the group of people at the intersection of those two lines is focused on a function. And they're focused on a particular project, or what's going on with that function, say, in a certain geographic area, or a certain

product line. So the focus is very much on that, as opposed to this larger thing where it's just focusing on the function.

Usually better communications, because in a matrix organizations everybody kind of used to not being trapped within a silo. They feel free to talk with pretty much anybody they need to, that's usually the case. And they certainly have to communicate with their boss better because they get two bosses. So you'll find a lot more chatter, useful chatter, going on in a matrixed organization.

There also tends to be more cooperation. Certainly at any one point in that matrix you're getting cooperation between the function, say the manufacturing folks, and the folks that are worried about manufacturing, and responsible for manufacturing in a particular geographic area. So there's a lot of talk going back and forth. If you didn't have that, the alternative would probably be to have silos within silos, where you've got manufacturing people in Europe are one silo. And they're separate even from the silo of manufacturing people in, say the US. So you're going to have a lot less cooperation in the traditional silo matrix, there's really no borders to contain them. They're certainly welcome to work within their group, and if they need to, with adjacent groups. Or not even adjacent, pretty much anywhere where they find the right people that have the expertise to be able to provide answers or help when they're looking for cooperation.

There can be a problem with control, and that goes back to the two boss thing. It does violate this standard, or this gold standard, I guess, of management. But it's not something that can't be overcome, there's plenty of companies that are operating with matrixed organizations and doing it very well.




All right well the book has a five step process, or they call it a model. It's all about getting from where you are to whatever the new organizational structure that you're looking for, one that would support digital integration, basically. And I think it's useful to visualize that as a pyramid structure. You've got the base, the foundation, and then you work up to the ultimate goal. So if we start down at the bottom, agreeing on the organization's goals with digital, in other words, what is digital supposed to do for the organization, is important. If you're going to be transitioning to this new org structure that's supposed to support digital integration, it's pretty important to understand what the organization's goals with digital are. To understand and to agree with it.

Then the next level up, actually being able to launch some kind of digital innovation project is important. And this is a putting your toe in the water sort of situation, because this doesn't require as much time and effort, and the politics aren't as deep and all of that, as if you were going to try and do the whole organization at once. So you start this digital innovation project as sort of a practice run, a rehearsal, however you want to look at it.

And then third is actually implementing a digital innovation unit. And what this involves is basically taking people that probably came up through the second step, the digital innovation project, and maybe some other key people. So these would be a group of experts, and use them at this point now to start a digital innovation unit. So it's sort of expanding on the original project, and you start to spread out the impact a little bit more without moving too quickly, and just causing a lot of conflict and so forth within the organization. Then the

fourth level is where you'd start to integrate, basically, your digital or your online functions with the non-digital or offline functions of the organization. So for instance, the book gives a good example. If you've got a customer service department, or a group as they refer to it, you'd want that group to handle all aspects of customer service. Whereas if you really weren't integrated prior to this, you're still in the integration process, you may have inherited a situation where the telephone customer service people report up this way, and those that are working on social media and maybe email, they report up a different way. So you actually end up with two separate customer service groups. This is the process-- this is the step where you would be bringing those together. Merging the folks that happen to be talking to customers on the phone into the same group where there's customer service reps who happen to be using social media to communicate with customers. They're both doing the same function they're just using different media, you want to bring them together.

And as you do this across the organization, in lots, and lots, and lots, of different nooks and crannies of the organization, you're eventually going to find yourself, whether you know it or not, launching basically a digitally integrated organization. So the whole idea is that at that point, you would have a digital staff that were basically integrated into all the various departments, or work groups, and so forth. And if you think about it, that's kind of a similar process to the matrixed organization. There are differences, but the point is that you've got this digital expertise located where it's needed. So it's embedded in the organization, in all these different places. Even though those folks may report up to somebody that heads up digital, if it's a matrixed organization then they can also report to whoever runs the embedded groups-- the groups that they're embedded with. So you can see how the matrixed organization kind of fits very nicely together with this whole idea of a digitally integrated organization. Now the book shows an example in a diagram of a digitally integrated organization. And it specifically shows you how the little orange people exist in a digital innovation unit, but they also exist embedded in marketing, and IT, and HR, and sales, and customer service, in this particular diagram. And you'll notice that-- well, I'm not really sure what they're trying to do with the lines on this chart. They really aren't org chart lines when you draw from group up to digital experience. This is showing both an org chart and also where they project out to customers. But don't take this diagram as gospel. As the text says, in their words, "It reflects one potential structure of the digitally integrated organization." So it's just one particular example, another digitally integrated organization could look different than this, but they'll generally have some element of a matrixed organization as a part of their fabric.

## Relationship of Marketing and IT

| Digital Changes Everything | Digital is Just Another Tool |
| --- | --- |
| • CMO → CXO<br>• Marketing itself has fundamentally changed | • CMO's have another tool to master<br>• Marketers need to learn how to use new tool<br>• CIO's head up staff function used in many areas beyond marketing |

The next section of the chapter deals with the relationship of marketing and IT, or information technology. It has some interesting observations, but frankly seems to be a little bit overheated and may be making some assumptions that a lot of what's going on between marketing and IT is something new, and original, and a big deal, and all of that. We'll see how it plays out, but my suspicion is that this is just going to be a case of another tool, a new technology that can be a marketing tool, that's used by the marketing folks. And they're going to need cooperation and help from IT, but I'm not sure that we're really talking about a marriage of marketing and IT which is really what the authors suggest here in the text.

Like I say, none of us have crystal balls so it's hard to say for sure. But this just looks and smells so much like previous cases where some new technology has come along that's going to make marketing wildly different. And it does make it different. It may add functionality, it may add choices that may make the marketing job easier, or harder, or more precise or whatever, but it doesn't really change the basic functions of what a chief marketing officer does, and what his or her staff do. And the same from the IP side.

What a chief information officer's job is doesn't really change all that much, they're still providing the resources, and keeping the resources running and everything working properly, and probably some training and things like that, in this case to marketing folks. But it's not all that different than software and systems that have been brought online for other functions within the company. So with that said, take a look at what the authors have to say, decide

for yourself, and then we can reconvene in about 10 or 20 years and see which way history went.

All right, but what I do want to point out is that we can do a comparison in this whole-- between the two views of it. So if we take a look at the relationship of marketing and IT, and if we take the "Digital changes everything" mindset, which is basically what the authors are talking about, they're saying that the chief marketing officer really becomes the customer experience officer, I think is the term they use. No, they call them chief exchange officer, excuse me. Or the chief experience officer, either one, and they abbreviate it CXO.

Yeah, and that's fine, certainly customer experiences is a big thing for marketers, but it's not the only thing. They're still going to have to do all their other stuff they're still going to have to worry about the four P's of marketing-- product, price, promotion, place, and all of that stuff. This is just another technology, another channel, another thing that needs to be kept track of and added into the marketing mix. But the authors say, no, that's not true, we now have CXOs, and marketing itself has fundamentally changed.

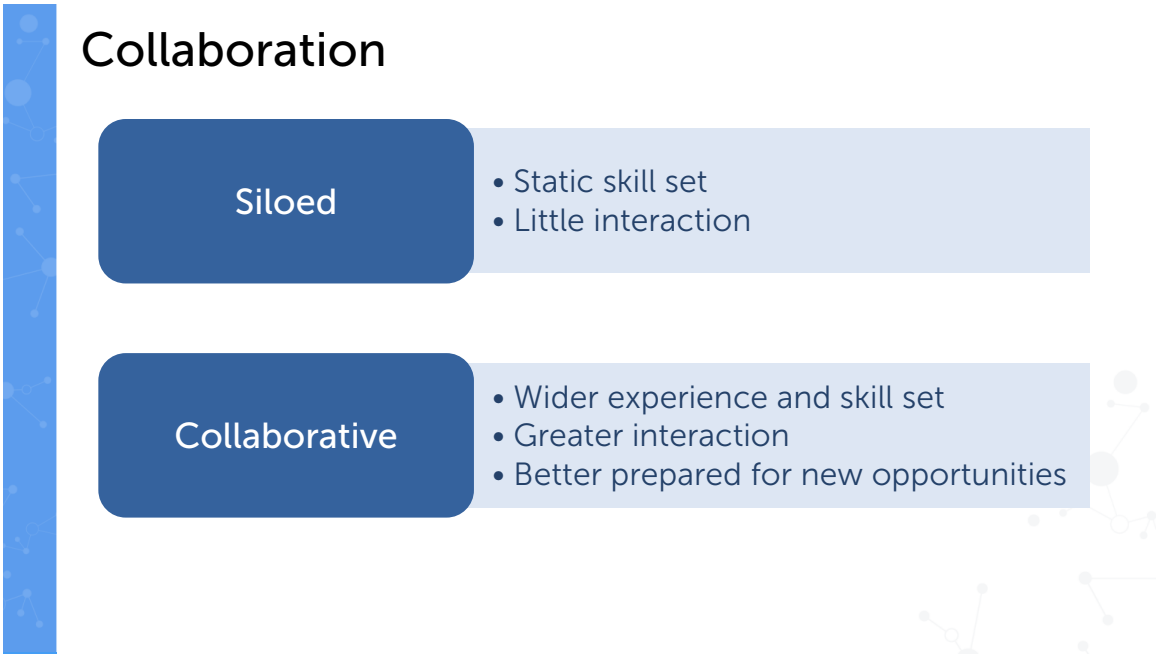
If we take a look at the other side of the argument that I've just about made already, that digital is just another tool, in this case for marketers, then yes, the CMO has another tool that he or she has to master, and the staff reporting up to the CMO the same thing. Everybody's going to have to learn how to use the new tool. That's I think closer to the way it'll probably play out. And at the same time, if you look at it from IT's perspective, the CIOs, they basically head up a staff function as opposed to a line function. I'll come back to that in a second if you're not familiar with it.

So a staff function that's of use to virtually every department in the company. I don't care what part of the company you're in, you probably need to be able to call IT for help with something, to install something, to fix something, to find out what your password was, all that stuff that an IT department traditionally has done. Now, the difference between staff and line-- this is management terms. Staff position, or a staff department, would be a person or group of people that provides a service to others in the company, but they're not directly in line in terms of the production or distribution of that firm's product. So the HR department would be a staff function. The IT department, assuming that the company's not selling IT products, would certainly be a staff function.

Whereas a line function is part of this group of people that are responsible for manufacturing or acquiring, and then maybe distributing and selling the product, whatever the company's business is. So the marketing people are line people, sales are line. If you were in charge of stores at a retail company, you'd be in a line position. If it was a manufacturing company and you're in charge of

manufacturing, or you're a factory manager, then you're in a line function. So that's the difference there.

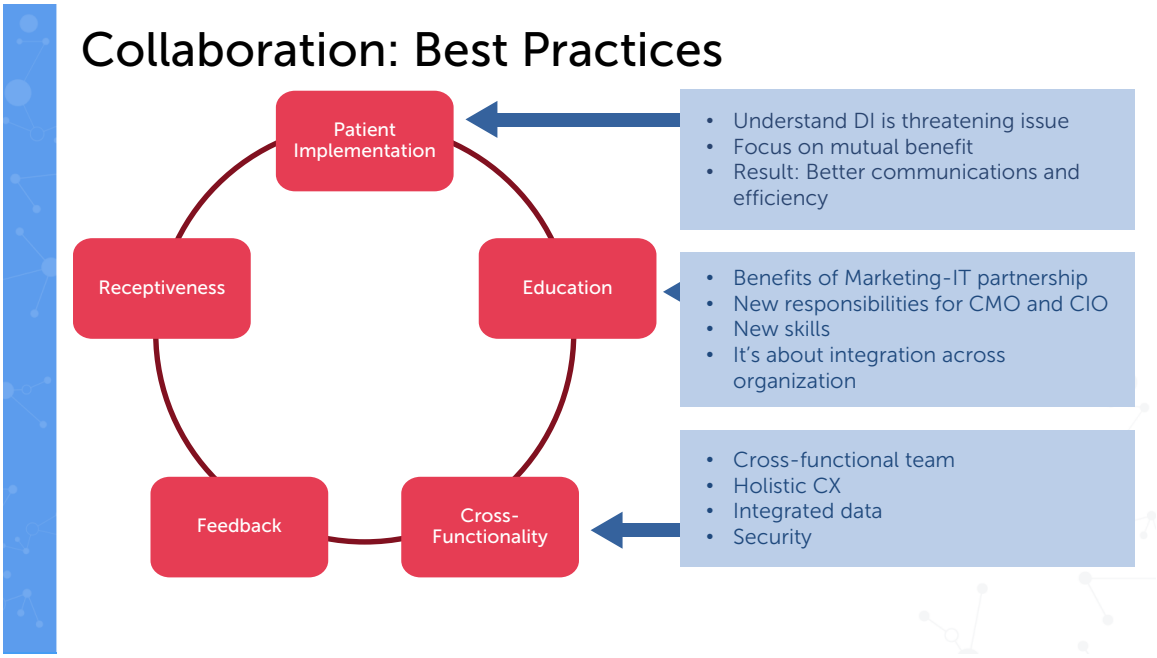
And essentially what I'm arguing is that IT for the most part is a staff function, and its existence, the reason it exists, is to provide support and expertise to the line functions at a company, so that those line functions can function well and make money for the company. So they're very similar in function to HR, but they certainly for our purposes in this course, in a data science course, where we're looking at management decision making and so forth, the IT folks are probably the most important staff function that really exists in a company, when you're trying to do the sorts of things we were talking about in this course.




So the next section is a collaboration. It's also the last section in the chapter. Let's start out by taking a look at a comparison between what happens with a siloed organization and a collaborative organization. So in the siloed organization the folks within the silos are going to have a fairly static skill set, because they're dealing just in their area. And yes, they'll keep up with changes in their area and their skill set will change there, but whatever skill set they might have had outside of that silo will start to atrophy over time. In terms of interaction they have relatively little interaction compared to, say, somebody in a matrixed organization. So most of their interaction is going to be within the silo. And that's not particularly conducive in a world where a wider range of expertise can be useful, because of all the changes happening.

Now in a collaborative organization there's going to be just, in general, a wider set of experiences that workers have wherever they happen to be in the organization, and also a wider skill set, because they're not fenced in to those silos like those workers in a siloed organization. So they are exposed to things, and they're working with people on a regular basis, as a part of their work unit really, that could be characterized as having come from other silos. There's also going to be greater interaction, within the work group, where you get an intersection, say, in a matrixed organization. You also are going to have a greater interaction pretty much across the company, simply because the silos aren't serving as the sort of artificial barriers that discourage somebody in sales calling somebody in accounting, and those sorts of things.

And what that all adds up to for the collaborative organization, is the organization and the individuals in it are prepared, or better prepared, really, to deal with new opportunities. They're able to see the significance and the possibilities, and to be able to take actions because they can call on people with different concentrations of expertise to work together, and then to take advantage of that opportunity.




Now the book talks about some best practices in collaboration. There's five of them, and we'll start-- we'll start up at the top that receptiveness. And really what it comes down to is if people aren't siloed, if they're used to working with one another, they're going to be more receptive to new ideas or concepts, and being able to deal with a lot of things. And they might view themselves as an employee or team member of the company, as opposed to a employee or a team member of a particular department. And that's going to be a good thing for the organization, at the end of the day.

The second is patient implementation. So it's an interesting term. So the idea here-- some basics of the idea anyway, you see in the thought bubble there, is that you need to understand that digital integration can be threatening to people. So it's not something that you can spring on them and implement the same day. It's going to take a little bit of getting used to for most folks, and you have to recognize that as you set your schedules. One of the things you want to do is you bring people's-- start changing people's minds, and start turning around on this idea during the process, is you want to focus on mutual benefit.

The message should always be about a win-win situation. It's a win for the company, actually win-win-win-win, multiple wins. It's a win for the company. It's a win for the customers. It's a win for you as an employee. It's a win for your department. All of that stuff need to be focus. And the result, if you can take your time implementing all of this, is that people will respond if they see the mutual benefit, they see that things could work better, and it's not going to hurt them personally. If you can get to that point you can have better

communications, and the company, or this part of the company anyway, would operate more efficiently.

Now the third item is education. So it's important that the management team be educated about what's going on. So if you take a look at it, there's four areas that the text really, really focuses on here. In one is the benefits of what they call a strong partnership between marketing and IT. And they use that same win-win term there. So that's something that we want to make sure that managers are educated on, so that the marketing folks, the IT folks, understand that there's a lot of good reasons to work together. It's better for the company, and it's going to be better for them, and all of that.

Also need to educate all concerned if there are new responsibilities for the chief marketing officer or the chief information officer. And there are going to be. These are fields where there's a lot of changes going on, particularly, in our interest to us is the digital area. So there's going to be new responsibilities, there's going to be changes, and we just have to make sure that the managers are understanding of that, accepting of it, and take those responsibilities on as they come. Also the fact that there's going to be new skills, by the CMO, the CIO and their entire teams. As technology changes, as the company dives deeper into digital, all of that, there's going to be new skills that are going to be required, both on the IT side and on the marketing side.

And finally, it's really important to understand that while a lot of the emphasis in this chapter has been on the integration and the cooperation between marketing and IT, it goes way beyond that. Those are sort of the beachheads, might be a good way of putting it, but a lot of this stuff impacts pretty much everybody in the company. And that's important to realize.

Then next item is cross functionality. And you'll notice that there's four items there, cross-functional team, a holistic CX, or customer experience. And then integrated data, I think we've got a pretty good idea what that's all about, and security. As major items in this category. So where people need to be able to understand that there's more than one function involved in a lot of the things that the company does.

The next item is feedback, the last item has is feedback. So the whole point here, of course, is when a customer interacts with the firm in a digital manner, they really are, or at least should be, contacting or interacting with the firm really as a whole organization. So they're not just talking to Joe or Sally in customer service, the idea is that they should feel like, and they should in a

way actually be interacting with the entire organization. And digital just makes it a lot easier for that to happen, because we can pass things around within companies, and there can be procedures and systems in place that are aided by digital tools.

## Digital Media Integration

- Use of digital media by marketers to forge deeper relationships with customers is here to stay – although it will evolve
- Digital media is also likely to have a larger role in internal communications
- Challenges
  - Security
  - Developing policies that reflect culture and needs of org

And finally, and this is the last slide, let's just take a quick look at some high points of digital media integration. The whole point of digital media, the reason we use it as marketers, is that it allows us to build relationships. So we're forging these deeper relationships with customers, and that's something that's not likely to change in the foreseeable future. This is, it works, and it works well, and the customers are receiving it well. That's not to say that won't change. There'll be new technology, and there will be experiments and fine tuning, and all that, so you'll see an evolution of all this. But I wouldn't expect the whole idea of using digital media to build these nice strong relationships and maintain them, I don't see that changing in the foreseeable future.

Second item. So digital media is also likely to have a larger role in internal communications. Internal communications, now. We're already seeing this happening. If you take a look at some of the software products that are out there, and a lot of you are probably more familiar with some of these than I am. But the ones that I'm familiar with-- and I'll use Salesforce as an example-- they've now, for a number of years now, have offered sort of a chat function that allows employees on the employee side of the software to be able to communicate with one another. And there's lots of examples like that, where the tools are evolving so that the employees can work together, communicate better, quickly and efficiently, using digital tools. And that means they can solve problems faster, and get answers back to customers faster, and resolve customer issues faster. So that's already happening, and I think we'd expect to see that continue.

Certainly challenges, security is a big one. So that's something that every CIO is very familiar with, and it's not going to change. And certainly with digital media integration there's just going to be new issues, new tools, and so forth that IT departments are going to need to be familiar with and deploy.

And then along with that, you also have policies. So we're talking in terms of developing policies that reflect really what that company is all about, what its culture is, what it needs from its employees to get the job done to serve customers. So those policies are going to need to change because the tools, and the procedures, and the functions are changing as well. And that's something that is going to involve a lot of folks, everybody from HR, to IT, to whatever departments are affected. But it's something that needs to be done, and because it tends to be an afterthought, sometimes those are things that they don't get the attention that they need to, to kind of put the period at the end of the sentence.

And speaking of end, that is the end of this chapter's presentation. I'll talk to you again for the next chapter. You have a good one in the meantime.