Kickstarting innovation through digital transformation

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UNBOXED

Introduction

Innovation can be a tough nut to crack, if your organisation has a largely traditional mindset. Ideas for new market-changing products and services are what digital teams are striving towards delivering, but these very rarely gather enough momentum to be anything more than just great ideas. Time, budget and effort are all used up yet the path towards the digital future seems to be increasingly more difficult.

True digital innovation requires a change in the way your teams and your organisation operates. Digital technology brings with it an increased complexity in your interactions with customers, which traditional management models are unable to address. Unpredictable markets and continuous technological change require a larger shift within your organisation.

**A 'digital transformation' allows you to adapt to shifting expectations** through new approaches, such as:

* customer-centric design and development methods;
* a holistic, end-to-end service perspective;
* iterative development processes, embracing continuous change;
* agile, collaborative organisational structures; and
* a culture of learning.

If these new approaches are not consistently adopted throughout your organisation, there's a very large chance that your digital transformation will fail to deliver truly innovative user-centric products or services. This shift, however, is often met with powerful resistance and overwhelmed by some of the complexities of a large organisation.

This approach to kickstarting digital transformation is **designed to minimise resistance by offering high levels of participation and support** for various stakeholders involved throughout the transformation process.

1. PLOTTING THE WAY

Setting a clear vision and getting the core team in place
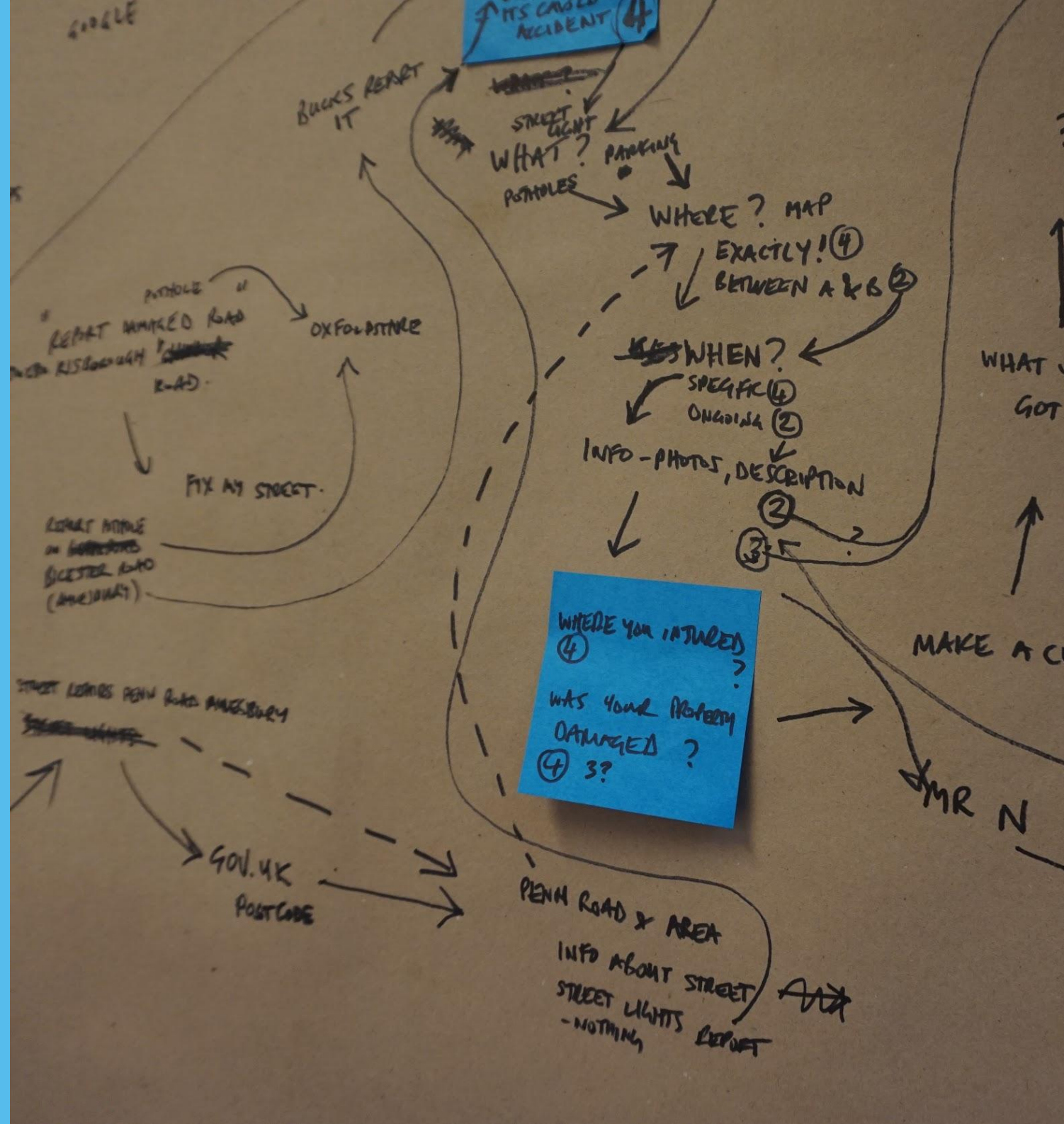
1.1. Assemble your Innovation Team

Start your digital transformation journey by assembling a cross-functional team to acquire the skills needed in supporting a continuous, iterative, user-centred approach to delivering digital services.

- The "Innovation team" consists of members taking on a variety of different roles, and will be small to start with (typically 4-6 members). **In the most successful cases, the Innovation Team is pretty powerful** – in terms of titles, information and expertise, reputations and relationships. This ensures that they have enough knowledge about your organisation to inform and support the necessary decisions and changes.

- Comprise your team of individuals with **good mix of backgrounds**, coming from all different parts and areas of your organisation. Combining these different perspectives leads to stronger and much more innovative results.

- Find a **safe space to learn and develop** this new way of working. This is an area within your office or building with plenty of space, where you and your team can get everything that you're working on up onto the walls to share and encourage ad-hoc conversations and collaboration with your wider team.

- **Operate outside your normal hierarchy** and safeguard your team from being pulled into various 'urgent' operational day-to-day assignments. These can often take up too much time and stifle innovation activities.
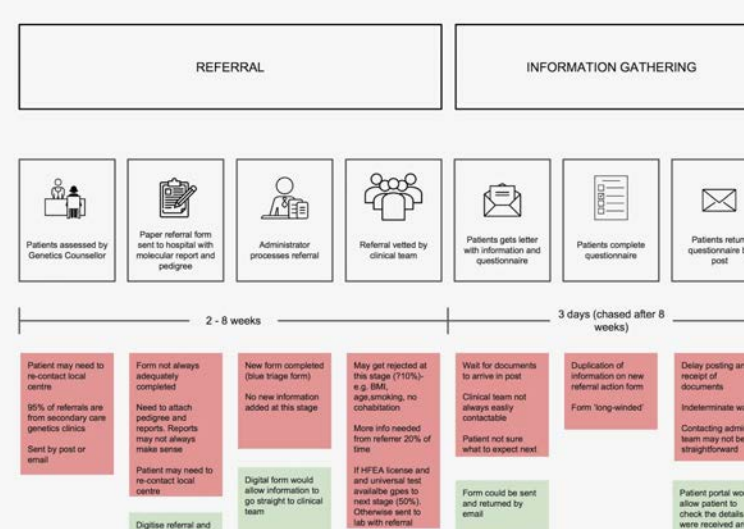
1.2. Acknowledge and learn from the past

Learn from your experiences and try to understand why any good ideas might have failed in the past. At the same time, acknowledge the best existing individuals and working practices within your organisation by bringing these along on your new transformation programme. This will help increase the sense of ownership and facilitate the successful adoption of any new ideas.
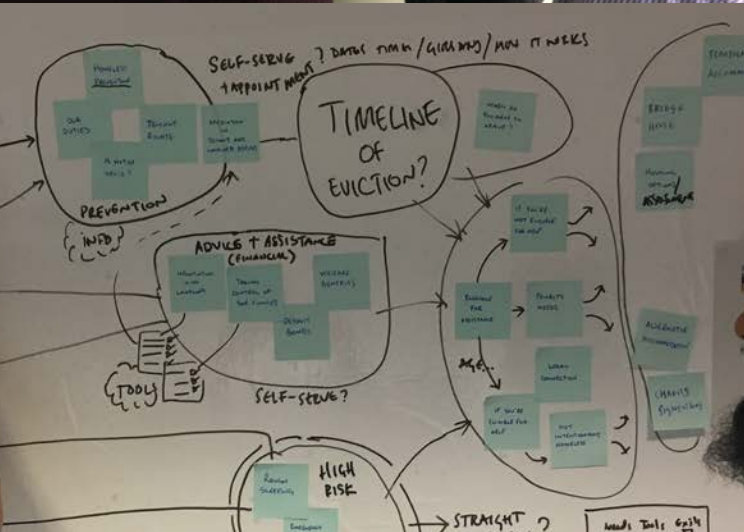
- Aim to **involve your key stakeholders** in all workshops and other activities carried out by your Innovation Team. You will need access the subject 'experts' within your organisation, who won't be part of your core team, to cover topics such as your current strategy and any previous innovation efforts.

- Whenever possible, involve customer-facing staff members who can represent **the 'voice of the customer'**. These colleagues communicate with your customers on an ongoing basis and have a good understanding of the day-to-day problems they may be encountering.

- Examine your current practices and systems when exploring previous attempts at innovation. **Identify where there may be good examples to build on**, then embed these into your transformation efforts.

- Don't forget to build your **list of risks**. Informed by internal frictions and previously less-successful attempts, work on devising strategies to mitigate these.

1.3. Reach for the goal, one step at a time

A clear vision will help guide your team towards a successful transformation. To make the journey towards this vision as smooth as possible, break it down into a set of clear and easily achievable goals. This motivates your team and makes it easier to adopt new behaviours, one small change at a time.

- Set a **vision to inspire your team on both a rational and an emotional level**. This should remind people where your organisation is heading, as well inform them why they're taking this journey. This is essential to gaining buy-in for a programme that is often related to unpleasant changes, such as reduced budgets or a need for increased performance.

- Learn how to look at your products and services from a customer perspective – conducting interviews and ethnographic research to understand their needs. Your team need to **learn these new skills and start sharing knowledge** and ideas across silos to avoid a disjointed experience for your customers.

- **Break down your learning and transformation goals** into clear, easily achievable steps. The skills your team are learning may feel strange at first, but it's best to learn by doing, so allow enough time for them to gain confidence in using these.

- **Make your goals and process explicit and transparent**, showing clearly how each step is part of the journey towards your vision. Understanding this context helps your team to adopt these new behaviours and learn more quickly.

2. GETTING OTHERS TO JOIN THE JOURNEY

Engaging wider stakeholders to provide support

2.1. Share your stories

Every transformation programme encounters some initial resistance. But this loosens up when enough people within your organisation start supporting your efforts. Interesting and compelling stories around your journey, presented through some tangible examples, are a powerful tool in bringing others on board.

- As an Innovation Team, share your progress across the organisation through **regular Show & Tell sessions**. These can be open to anyone (and everyone) and should spark conversations throughout the organisation. The goal of this is to make everyone see and feel what digital transformation really looks like in action, rather than think about it abstract terms.

- Share quotes from your conversations and present videos from customer interviews. The stories you're telling work best when supported by **real-life anecdotes from the customers** you have spoken to, bringing the voice of your customers to the forefront.

- Show **tangible examples of your work** to illustrate the process you're going through. Prototypes are a great way to grab your audience's attention, but you can also use customer journeys, personas, and sketches from earlier stages.

- Use **every opportunity to share what you're doing** with the rest of your organisation. While Show & Tell session are a scheduled and regular platform, you could also start a blog to share posts, post updates on social media or even speak at events.

2.2. Plan for and celebrate "quick wins"

Whilst you need to ensure you're keeping track of the long-term vision of your digital transformation programme, also deliberately plan for your "quick-wins". These are sets of improvements that may produce lower long-term impact, but are often easy to implement and provide a compelling narrative to keep everyone excited about the programme.

- Identify improvements of **low-complexity and high-visibility**. They should generate interest either because of their importance within your organisation or because they have substantial positive impact on a large number of your customers/stakeholders.

- **Avoid dependency on legacy systems** for your quick wins. These always represent substantial risks and can delay successful delivery. Other dependencies and risks, such as frictions within the organisation or access to your customers and other colleagues, should also be considered carefully.

- Plan for a **tangible output and evidence of your success**. It's important to clearly demonstrate the value of these improvements as this will allow you to present it as a compelling story and generate buy-in. Don't forget to recognise and reward everyone involved in these improvements.

- Use the momentum you've generated by these quick-wins to **push forward with the bigger picture**. Gather the support you need for more complex, longer-term improvements.
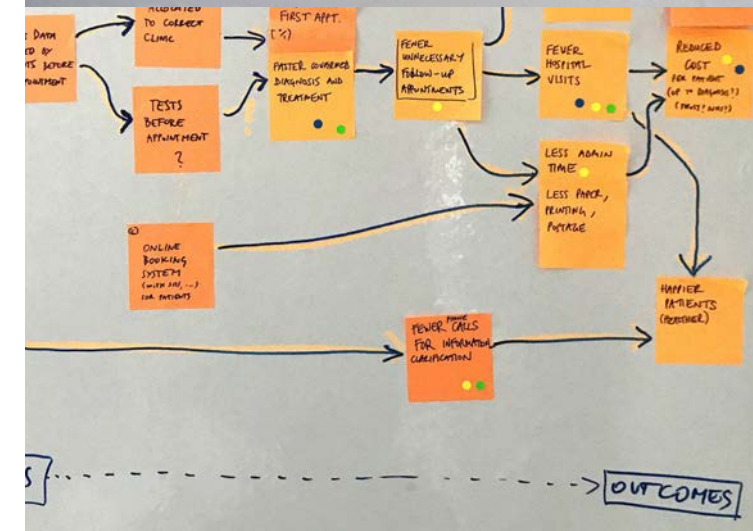
2.3. Uncover a new sense of identity

Your Innovation Team is going to learn valuable new skills through this digital transformation programme. They will become true champions of customer-focussed innovation and cross-functional collaboration, then embrace this new identity and promote it throughout your organisation.

- Your team needs to have a **sense of ownership** of their newly acquired skills and processes. Getting involved early-on with Show & Tell sessions, as well as facilitating meetings and workshops, will help them establish a new identity towards peers and build confidence around this new approach.

- Encourage your team of innovators to **adopt a growth mindset**, then provide them with time to learn and experiment. Allow them to adapt the process according to their own needs, or based on their own expertise. Conducting regular retrospective sessions facilitate discussions throughout the team around how to improve this approach.

- **Openly invite others to join** your new way of working. Allow them to learn about these approaches, providing the opportunity to apply this to within their own departments, if they wish to do so. Keep the "innovation mindset" inclusive to everyone and welcome different perspectives. This only makes solutions more robust and helps to spread the enthusiasm.

3. REINFORCING THE PATH

Getting the right support from the leadership to institutionalise the new approach
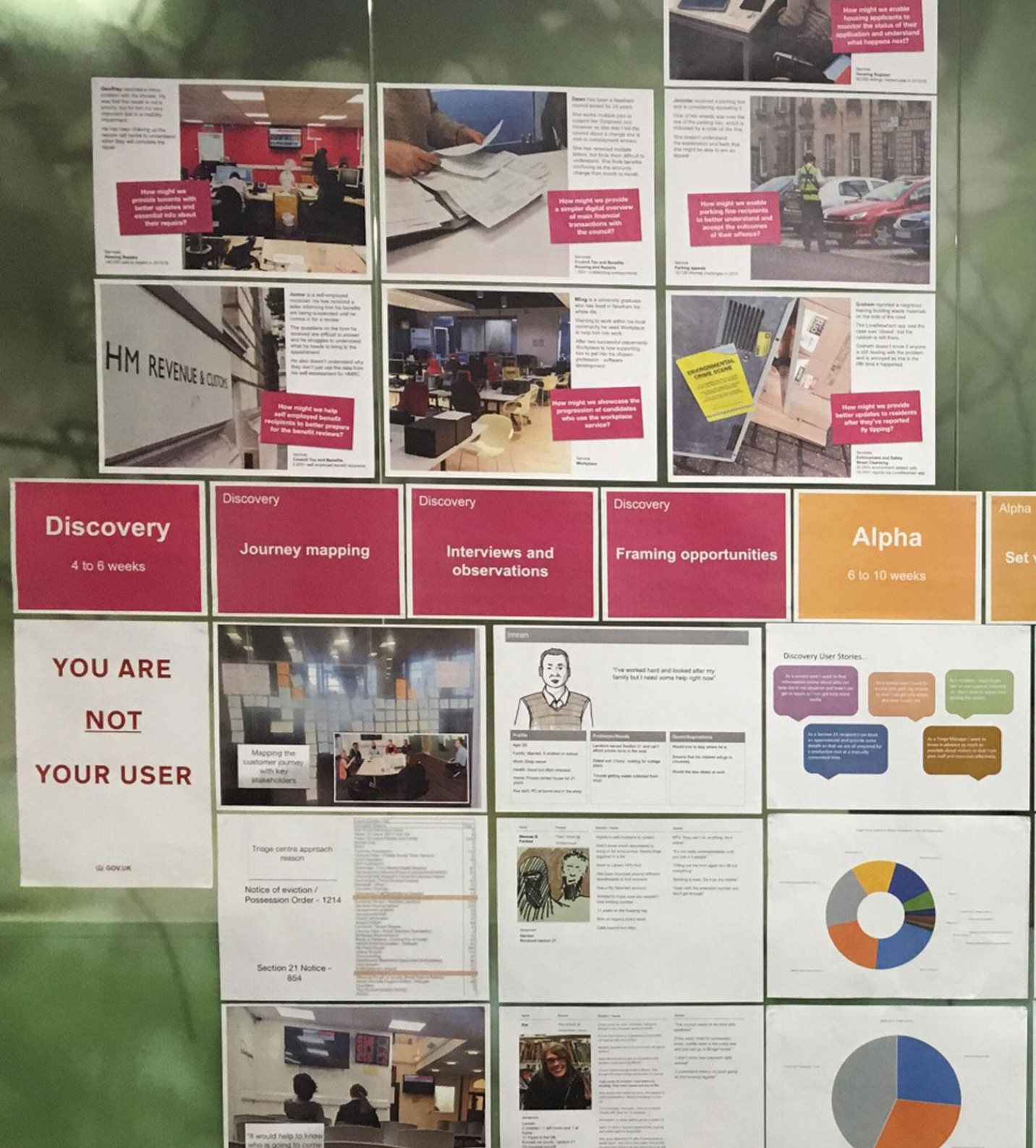
3.1. Tweak the environment

Most structures in big organisations are set up with the aim to optimise productivity, but an excessive focus on performance can undermine this innovation. A successful digital transformation requires an environment that encourages people to learn and experiment with nontraditional ideas, activities and actions.

- **Make space for your collaboration.** Whiteboards, small break-out areas and open plan offices all encourage other members of your team to share and discuss. As do digital tools, such as Slack, Google Docs, Trello and other cloud-based online services.

- **Set aside time for experimentation**. Your colleagues, constantly engaged in their day-to-day operational activities, are a potential source of valuable innovation. Although they won't share their ideas unless there's an opportunity for them to do so. Give them time to think about these ideas, try them out, see if they work and improve on them.

- Form your organisational structure around your innovation journey. **Flat organisational structures** are used by a wide range of innovative companies and organisations worldwide. This can help improve communication, especially in conditions of uncertainty, as flat structures are quicker to adapt and respond to change. Constant restructuring of your team without a clear vision, however, can be demotivating and unproductive.
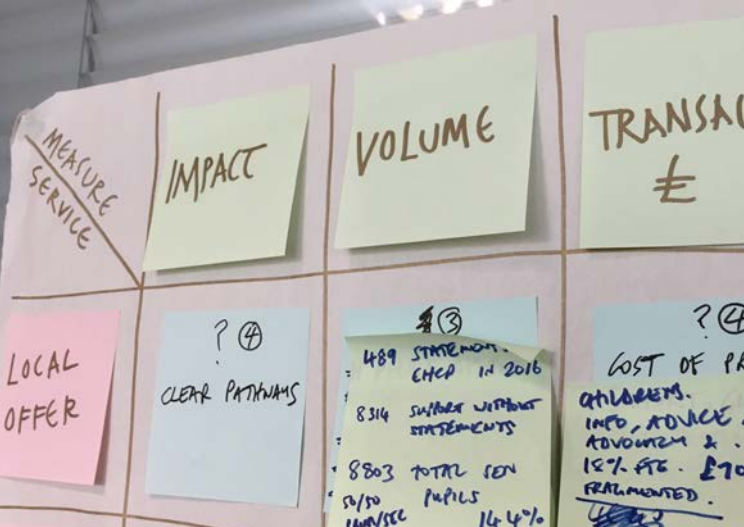
3.2. Anchor your new approach

Unless innovation activities are rooted in your social norms and shared values, they might degrade as soon as the pressure for change is removed. Changes need to be well communicated throughout your organisation. New practices need to become natural and built into habits.

- **Articulate the evidence for success** of your digital transformation programme. Having a set of key performance indicators (KPIs) allow you to prove that this way of working is far superior to your old way. Use the evidence from these KPIs to promote your new values publically to bring any remaining sceptical colleagues on board.

- **Set up action triggers** to promote valuable behaviours. This makes it much easier for your new ways of working to become habit. For example, set up your regular daily 'standup' meeting for exactly the same time every morning. After a short while, this becomes second nature and enables better communication within your team.

- **Establish promoting and hiring practices that reflect your new vision**. This is when your transformation can truly be seen as embedded and working. Your new hires will need to understand these new ways of working as how your organisation works.

Further reading

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