“Successful transformation of your organization to digital doesn’t just happen—you need to lead it. Leading Digital shows the key elements and processes that have made Digital Masters out of companies around the globe, in many different industries, not just high-tech. A must-read.”
—PETE BLACKSHAW, Global Head of Digital and Social Media, Nestlé

“The days when senior executives could delegate technology issues to their technology people are over. Digital leadership is essential to thriving in a world of fast-changing technologies. Westerman, Bonnet, and McAfee provide a clear and readable guidebook to help any leader or manager play an effective role in turning technology challenges into transformation opportunities, both now and in the future.”
—MICHAEL TEISERMAN, professor, Harvard Business School; coauthor, Winning Through Innovation

“To stay relevant in this new, always-connected digital universe, businesses in virtually every industry are rethinking their business models for unprecedented customer access, interaction, speed, and scale. Leading Digital shows how transformative companies are navigating these disruptions successfully and why others are falling behind.”
—JE FF ICQ, Chairman and CEO, EMC Corp.

“Leading Digital provides comprehensive, fact-based insights into how multinational companies can leverage digital technology to transform their businesses. In this book, the authors provide not only the inspiration, but also the practical guidance required for CEOs to successfully navigate the complex transformation.”
—GIL HERSHFIELD, Vice Chairman of the Board and CEO, Pernod Ricard

“Technologies—that is, based on stone, steel, or software—are tools. They deliver results only when wielded effectively. Westerman, Bonnet, and McAfee’s careful and insightful research reveals the patterns common to the most effective leaders of the digital revolution and shows how they are using digital technologies to deliver impressive results.”
—JE FF ICQ, Chairman and CEO, EMC Corp.

“Digital is no longer the responsibility of a few technologically savvy executives—in the age of digital customers, it needs to be the responsibility of every leader in the organization. Leading Digital provides a blueprint for digital transformation.”
—CHARLIE Li, founder and CEO, Abilene Group; author, Open Leadership; and coauthor, Groundswell

“Leading Digital is the must-have guide to help your organization survive and thrive in the new, digitally powered, global economy.”

You think the phrase “going digital” is only relevant for industries like tech, media, and entertainment—think again. In fact, mobile, analytics, social media, sensors, and cloud computing have already fundamentally changed the entire business landscape as we know it—including your industry. The problem is that most accounts of digital in business focus on Silicon Valley stars and tech start-ups. But what about the other 99.99 percent of the economy?

In Leading Digital, authors George Westerman, Didier Bonnet, and Andrew McAfee highlight how large companies in traditional industries—from finance to manufacturing to pharmaceuticals—are using digital to gain strategic advantage. They illuminate the principles and practices that lead to successful digital transformation. Based on a study of more than four hundred global firms, including Asian Paints, Burberry, Caesars Entertainment, Codexis, Lloyds Banking Group, Nike, and Pernod Ricard, the book shows what it takes to become a Digital Master. It explains successful transformation in a clear, two-part framework: where to invest in digital capabilities, and how to lead the transformation. Within these parts, you’ll learn:

▲ How to engage better with your customers
▲ How to digitally enhance operations
▲ How to create a digital vision
▲ How to govern your digital activities

The book also includes an extensive step-by-step transformation playbook for leaders to follow. Leading Digital is the must-have guide to help your organization survive and thrive in the new, digitally powered, global economy.
When Jean-Pierre Remy became the CEO of Pages Jaunes in 2009, the company was in trouble. As the market leader in the fast-dying French Yellow Pages industry, the company saw its print revenues declining by more than 10 percent every year. After all, in an age of Google, Craigslist, and Yelp, who would look for companies in a thick yellow book? Pages Jaunes needed to adapt to the world of digital search, and it needed to do so quickly.

Remy tried to convince his employees that digital directory services were an opportunity. The company still had a trusted brand, strong relationships with its advertisers, and a small foothold in digital services. But employees in the hundred-year-old company were skeptical; Pages Jaunes had always been the industry leader, and there was little need to change the business. Many employees saw digital as a sideshow
that was irrelevant to selling ads in thick paper books. The workers had lived through the creation of Minitel—France’s revolutionary online networking system of the 1980s and 1990s—with no impact on the company’s competitive position. They had lived through the dot-com bubble and bust of 1997 to 2002, and Pages Jaunes remained the industry leader. Even as revenues declined, some employees blamed poor management instead of a major industry shift. Very few saw digital as the danger and opportunity it truly was.

What the Pages Jaunes employees needed was clear: a transformative vision of the future that was more compelling than their current view of the business. Remy found one such vision: Pages Jaunes was not in the business of producing heavy yellow books. It never had been. It was in the business of connecting small businesses to local customers. Books were just an outdated technology; digital technology could do the job better. This vision was clear and compelling. It painted a distinct picture of the future while linking to the company’s current capabilities. The vision made it plain that digital was the future and that paper books would disappear. It gave employees an idea about how their jobs and skills might fit in the new world, and how they might play a role in the digital future.

Remy also announced an audacious goal: Pages Jaunes would shift its business mix from having less than 30 percent digital revenues to more than 75 percent within five years. This explicit goal stopped employees from debating about how much and how fast they needed to change. It also provided a clear way—digital revenues as a share of total revenues—to measure progress. Anything that increased digital revenues was good. Anything that increased paper revenues was less important.

Remy spent the next two years helping everyone—from employees to customers to investors—understand the promise that digital could hold for the future of the business. He communicated honestly and repeatedly with his employees. Some of what had made the company great would still be valuable in the future. Other things would slowly need to disappear. The company’s brand could still be strong in the
digital world. The customer relationships that salespeople had built up over years were still valuable, but salespeople would need to learn to sell digital services instead of paper ads. Some book-oriented skills, such as printing and delivery, would be less useful in the future. But Pages Jaunes would remain in the paper business for several years longer—time enough for people in the paper end to retire, retrain, or move to another company.

Pages Jaunes senior executives moved fast to realign the company’s investments and skills. They hired senior people who had digital skills and the mind-set to work in the digital economy. They retrained salespeople to sell digital services, and retrained designers to create digital ads and webpages. They invested in prototypes for digital services, such as web page design and mobile apps, to show clients how they could reach their customers in new ways. They even inked a deal to partner with Google instead of competing with it. Finally, Remy sent a strong signal by freezing all nonessential investment in the traditional book business.

The transition was neither smooth nor immediate. In a country where firing employees is very difficult, some employees resisted the change. Remy convinced some to join in the transformation, while he found ways to work around those who did not. When digital revenue grew more slowly than planned and physical-book revenue declined faster because of the worldwide recession, executives had to restructure the company’s debt. But customers began to see the value of digital services, and salespeople learned how to sell them.

By 2013, four years after Remy announced his new digital vision, and despite Europe’s economic woes, Pages Jaunes had nearly met its transformation goals. Annual digital revenues were growing fast enough to replace most of the company’s annual losses in the paper-based business. For the first time since he had joined the company, Remy projected overall revenue growth by 2015. While Yellow Pages companies around the world struggled to handle digital competition, Pages Jaunes has now become a company powered by digital, not paper, technology.
The changes being wrought through digital transformation are real. Yet, even when leaders see the digital threat and opportunity, employees may need to be convinced. Many employees feel they are paid to do a job, not to change that job. And they have lived through big initiatives in the past that failed to turn into reality. To many, digital transformation is either irrelevant or just another passing fad. Still other people may not understand how the change affects their jobs or how they might make the transition.

Our research shows that successful digital transformation starts at the top of the company. Only the senior-most executives can create a compelling vision of the future and communicate it throughout the organization. Then people in middle and lower levels can make the vision a reality. Managers can redesign processes, workers can start to work differently, and everyone can identify new ways to meet the vision. This kind of change doesn’t happen through simple mandate. It must be led.

Among the companies we studied, none have created true digital transformation through a bottom-up approach. Some executives have changed their parts of the business—for example, product design and supply chain at Nike—but the executives stopped at the boundaries of their business units. Changing part of your business is not enough. Often, the real benefits of transformation come from seeing potential synergies across silos and then creating conditions through which everyone can unlock that value. Only senior executives are positioned to drive this kind of boundary-spanning change.

So how prevalent is digital vision? In our global survey of 431 executives in 391 companies, only 42 percent said that their senior executives had a digital vision. Only 34 percent said the vision was shared among senior and middle managers. These numbers are surprisingly low, given the rapid rate at which digital transformation is reshaping companies and industries. But the low overall numbers mask an
Crafting Your Digital Vision

important distinction: Digital Masters have a shared digital vision, while others do not. Among the Digital Masters that we surveyed, 82 percent agreed that their senior leaders shared a common vision of digital transformation, and 71 percent said it was shared between senior and middle managers. The picture is quite different for firms outside our Digital Masters category, where less than 30 percent said their senior leaders had a shared digital vision and only 17 percent said the shared vision extended to middle management.

But having a shared digital vision is not quite enough. Many organizations fail to capture the full potential of digital technologies because their leaders lack a truly transformative vision of the digital future. On average, only 31 percent of our respondents said they had a vision which represented radical change, and 41 percent said their vision crossed internal organizational units. Digital Masters were far more transformative in their visions, with two-thirds agreeing they had a radical vision, and 82 percent agreeing their vision crossed organizational silos. Meanwhile, nonmasters were far less transformative in their visions.

WHAT DO DIGITAL VISIONS LOOK LIKE?

Where should you focus your digital vision? Digital visions usually take one of three perspectives: reenvisioning the customer experience, reenvisioning operational processes, or combining the previous two approaches to reenvision business models. The approach you take should reflect your organization's capabilities, your customers' needs, and the nature of competition in your industry.

Reenvisioning the Customer Experience

Many organizations start by reenvisioning the way they interact with customers. They want to make themselves easier to work with, and they want to be smarter in how they sell to (and serve) customers. Companies start from different places when reenvisioning the customer experience.
Some companies aim to transform their relationships with their customers. Adam Brotman, chief digital officer of Starbucks, shared this vision: “Digital has to help our store partners and help the company be the way we can . . . tell our story, build our brand, and have a relationship with our customers.” Burberry’s CEO Angela Ahrendts focused on multichannel coherence: “We had a vision, and the vision was to be the first company who was fully digital end-to-end . . . A customer will have total access to Burberry across any device, anywhere.” Marc Menesguen, managing director of strategic marketing at cosmetics giant L’Oréal, said, “The digital world multiplies the ways our brands can create an emotion-filled relationship with their customers.”

Other companies envision how they can be smarter in serving (and selling to) their customers through analytics. Caesars started with a vision of using real-time customer information to deliver a personalized experience to each customer. The company was able to increase customer satisfaction and profits per customer using traditional technologies. Then, as new technologies arose, it extended the vision to include a mobile, location-based concierge in the palm of every customer’s hand.

Another approach is to envision how digital tools might help the company to learn from customer behavior. Commonwealth Bank of Australia sees new technologies as a key way of integrating customer inputs in its co-creation efforts. According to CIO Ian Narev, “We are progressively applying new technology to enable customers to play a greater part in product design. That helps us create more intuitive products and services, readily understandable to our customers and more tailored to their individual needs.”

Finally, some companies are extending their visions beyond influencing customer experience to actually changing customers’ lives. For instance, Novartis CEO Joseph Jimenez wrote of this potential: “The technologies we use in our daily lives, such as smart phones and tablet devices, could make a real difference in helping patients to manage their own health. We are exploring ways to use these tools to improve compliance rates and enable health-care professionals to monitor patient progress remotely.”
Reenvisioning Operations

Organizations whose fortunes are closely tied to the performance of their core operations and supply chains often start with reenvisioning their operations. The business drivers of operational visions include efficiency and the need to integrate disparate operations. Executives may want to increase process visibility and decision-making speed or to collaborate across silos. For instance, in 2011, Procter & Gamble put operational excellence at the center of its digital vision: "Digitizing P&G will enable us to manage the business in real time and on a demand-driven basis. We’ll be able to collaborate more effectively and efficiently, inside and outside the company." Other companies, in industries from banking to manufacturing, have transformed themselves through similar operationally focused visions.

Operational visions are especially useful for businesses that sell largely to other businesses. When Codelco first launched its Codelco Digital initiative, the aim was to improve mining operations radically through automation and data integration. As we described in chapter 3, Codelco continued to extend this vision to include new mining automation and an integrated operations-control capability. Now, executives are envisioning radical new ways to redefine the mining process and possibly the industry itself.

The operational visions of some companies go beyond an internal perspective to consider how the company might change operations in its industry or even with its customers. For example, aircraft manufacturer Boeing envisions how changes to its products may enable customers to change their own operations. “Boeing believes the future of the aviation industry lies in ‘the digital airline,’” the company explained on its website. “To succeed in the marketplace, airlines and their engineering and IT teams must take advantage of the increasing amount of data coming off of airplanes, using advanced analytics and airplane technology to take operational efficiency to the next level.” The manufacturer goes on to paint a clear picture of what a digital airline means in practice: “The key to the digital airline is delivering secure, detailed
operational and maintenance information to the people who need it most, when they need it most. That means that engineering will share data with IT, but also with the finance, accounting, operational and executive functions." The vision will improve operations at Boeing’s customers, but will also help Boeing’s operations, as the information from airplanes should help the company identify new ways to improve its product designs and services. The data may also lead to new business models as Boeing uses the information to provide new services to customers.

**Reenvisioning Business Models**

Some executives combine ideas around operational processes and the customer experience to envision new business models. The new vision may extend the current business model or may depart from it substantially. There are many resources and frameworks that can help you envision new business models. And in chapter 4, we shared examples of companies that digitally transformed their business models. In our research, we have seen two broad ways to form a new business model vision: defensively or offensively.

Some companies take a defensive approach to reenvisioning the model. Often, these companies are under threat and need to focus on their long-term survival. For example, information-based industries such as books, music, and travel are now going through fundamental structural changes. The rapid pace of change in these industries is forcing companies to redesign their business models. The defensive approach is where Pages Jaunes started. Facing a burning platform, the company’s executive team needed to create a vision that could drive rapid change.

On the other hand, some companies are lucky enough not to face a crisis; they can take a more offensive approach. Executives in these companies can focus on the potential opportunity of new, digitally powered business models, rather than overcoming a crisis situation. However, lack of crisis can be both a blessing and a curse. It’s a
A blessing because companies in this situation have time to experiment with new digital approaches. But it can be a curse if employees—or their leaders—see little reason to change. Banco Santander is taking an opportunity-based approach to its business model, highlighting a vision for how digital technologies can help it break into new market segments: “Our objective for the coming years is to exploit the growth opportunities in segments where the bank has a low presence, such as companies, insurance, and cards. Specifically, we are making significant investments in IT systems and staff to be able to take advantage of these opportunities.”

A few companies go beyond the challenges and opportunities of today. They create visions to prepare for—or even drive—the next long-term shift in their industries. General Electric, for instance, focuses its vision on the coming wave of smart connected devices. In 2011, CEO Jeffrey Immelt stated, “We will lead in the productivity of our installed products and their ecosystems. This will require leadership of the ‘Industrial Internet,’ making infrastructure systems more intelligent.”

Progressive Insurance has, for decades, had a vision to be smarter than competitors at assessing risk and pricing policies. In 1956, the company set an industry standard by reducing rates for low-risk drivers with its Safe Driver Plan. The company then started to use proprietary analytics to identify which high-risk drivers were less risky than they appeared on paper. It could price its policies so that it got the customers it wanted, while making other customers want to choose Progressive’s competitors.

Later, Progressive went a step farther, envisioning what would be possible if it had information on customers’ actual driving behaviors. For more than fifteen years, the company has experimented with gathering telemetry from customers, offering discounts and pay-as-you-drive policies as an incentive. In 1998, it launched a pilot in Texas using specialized GPS-based devices. In 2004, it piloted TripSense, which used an inexpensive sensor that drivers could easily install on a port in their cars. The information obtained from these
pilots led to the Snapshot program, which is based on a similar device and which Progressive launched nation-wide in 2011.23

Progressive’s Snapshot box is not a simple gimmick that separates drivers who think they are good from those who think they are bad. Through its telemetry boxes and analytics capabilities, Progressive can link actual driving behaviors—speed, distance, acceleration, and braking—to risk. Because company executives have been willing to invest in gathering and using new information, Progressive can offer services that its competitors cannot. Through its vision of being smarter than competitors at assessing and pricing risk, Progressive continually strives to find ways that it can serve good drivers at lower prices, offer lower-cost options to less-affluent customers, and encourage poorer drivers to choose other insurance providers.

**HOW CAN YOU FRAME A TRANSFORMATIVE DIGITAL VISION?**

There is no single best way to express a vision for digital transformation. It’s not a formulaic process. You need to craft a vision that builds on your strengths, engages employees, and can evolve over time. You’ll need to identify the benefits you want, what the end point looks like, and how you will engage your customers, employees, and investors. Here are some steps you can take.

*Identifying Strategic Assets*

In crafting your digital vision, you need to identify some strategic assets that will help you win. If the new vision can’t build on some of your company’s strengths, then there is no sense trying to implement it. Another company—one that is faster, more nimble, and less burdened with legacy issues—will execute better and win the game.

But how can you identify your strategic assets? Start by looking at what kinds of assets you have. Physical assets like retail stores or manufacturing plants may or may not be valuable in a new digital, globally
interconnected world. Competence-based assets, such as product design expertise, flexible and efficient operations, and excellent frontline staff, can be very useful as long as the processes they support remain valuable. Intangible assets, such as brand, reputation, and company culture, are more difficult to judge; they can be very helpful to reach a future state, but can also inhibit your transformation. Data assets can provide you an analytic advantage over your competitors or become products you can sell to others.

Once you have identified potential strategic assets, you’ll need to assess whether those assets will remain strategic in the new world. In the 1990s, management researchers developed a simple yet powerful tool for making this assessment. Strategic assets are VRIN: valuable, rare, inimitable, and nonsubstitutable. Valuable assets are those you can use to exploit opportunities or neutralize threats. Assets must be rare, and not available to most competitors. They must be inimitable (or, to be more precise, imperfectly imitable), since otherwise, competitors can copy them and beat you at your own game. And strategic assets must be nonsubstitutable; otherwise, someone may find a different way to do what you do, but better and at a lower price.

During the dot-com bubble, many internet firms found that customer eyeballs were not rare enough to support advertising revenues; paying customers were valuable but also far more difficult to obtain. Newspaper firms thought their classified advertising operations were strategic assets, only to find that companies such as Craigslist and eBay could imitate what newspapers do, but could do it better and at a lower price. Executives at film-rental company Blockbuster may have been correct when they believed the firm’s network of stores was an inimitable asset. Unfortunately, Netflix beat Blockbuster when the start-up found a simple way to substitute for what Blockbuster stores did.

When Jean-Pierre Remy crafted a new digital vision for Pages Jaunes, he didn’t start from scratch. Instead, he and his senior team systematically examined the company’s core assets. Some, such as printing and distribution capabilities, would have little value in the digital world. Others, such as money and information about customers, could be used
with little change, but were easily copied by competitors. However, two assets—the Pages Jaunes brand and the relationships between salespeople and their customers, could be strategic. These assets were valuable, rare, and difficult to copy. And with some change, they could become their own substitutes. That’s why Remy chose to build a new vision around these assets. Pages Jaunes would continue to be a trusted brand in the local marketing business, and its salespeople would help its customers make their own way into the digital future.

Creating Transformative Ambitions

Having a vision is not enough. The vision needs to be transformative. Incremental visions will limit the benefits that you can attain in your digital transformation. Even if you succeed, the most you’ll get is incremental payoff. If digital is leading to radical changes in every industry, you can help your company by defining what a radically different digital future looks like.

You can liken the situation to caterpillars and butterflies. Competitors with the vision to transform into digital butterflies can fly to new heights. Meanwhile, an incremental vision will only turn you into a faster-moving caterpillar. Companies using analytics to improve targeting in their physical or electronic mail campaigns are making caterpillars faster. The real-time, location-based customer-engagement process employed at Caesars transforms the caterpillar into a butterfly.

Your digital aspirations can be divided into three categories: substitution, extension, and transformation.25

Substitution is the use of new technology as an alternative or a replacement for substantially the same function that the enterprise already performs. For example, if you use mobile phones simply to do what people already do from their PCs, or if your version of analytics is simply a better way to do basic reports, then you’re in substitution mode. Substitution sometimes generates incremental cost or flexibility improvement, but it doesn’t really fix inefficient processes. It can also
be a way to experiment with new technologies before you do something bigger. But something bigger is required.

Extension significantly improves the performance or functionality of a product or process, without radically changing it. Many manufacturers and resellers now enable field workers to access information through mobile devices, reducing the workers’ need to visit the office at the start and end of shifts. In another example, a pharmaceutical company has created a social-media physician community so that it can learn about issues and opportunities by allowing doctors to talk with one another. While regulators put severe restrictions and audit requirements on any corporate communication with physicians, there are far fewer restrictions on monitoring what physicians say to each other. Extensions like these improve on existing processes or extend the company’s existing capabilities, but still focus on doing the same activities as before.

Transformation is the fundamental redefinition of a process or product through technology. When executives at Asian Paints used embedded devices and analytics to create fully automated factories, they changed the nature of their manufacturing processes, delivering higher levels of efficiency, quality, and environmental sustainability than were found at manually tended factories. Codelco’s digital mines, the mobile concierge apps at Caesars, and Nike’s FuelBand are similarly transformative. Each digital transformation reinvented the nature of an offering, allowing the firm and its customers to do things radically better than they could before.

Unfortunately, the previous examples notwithstanding, we found few companies doing transformative things with digital technologies. Figure 5.1 tallies the most transformative efforts for each firm we interviewed during the first year of our study in 2011.26 Although many firms were investing in new technologies, few were doing more than substitution or extension. Only 18 percent of firms—fewer than one in five—were investing in analytics to drive breakthrough change in customer experience. Meanwhile, fewer than one in six firms were transforming their products or practices using other technologies.
Consider your digital vision. Are you aspiring to do more of the same? Or do you see an opportunity to radically reshape your business—to unchain it from the shackles of old technologies and business practices? Is your vision focused on only a single part of the company, or are you envisioning a change that crosses silos? Executives with an incremental vision get what they aim for—incremental improvement. Those who realize the transformative power of digital can achieve much more.

**Defining a Clear Intent and Outcome**

One constant among the companies we interviewed is that people are busier than ever. Employees have to work harder and harder just to meet their current objectives. Few workers have time to work on a broad, softly defined vision of the future. The vision may never become reality. Or it may be very different when it does. Meanwhile, there are more important tasks to handle right now.
If you want people to engage with a vision, you need to make it real for them. What does “good” look like once the vision is realized? How will people know they’ve achieved it? Why should they care?

Great digital visions include both intent and outcome. Intent is a picture of what needs to change. Outcome is a measurable benefit to the company, its customers, or its employees. Together, intent and outcome help employees visualize the future of the organization and help motivate them to start realizing the outcome.

The CEO of Pages Jaunes clearly stated his intent to move beyond thick paper directories while retaining the company’s valuable role in connecting small to medium-sized businesses with local customers. He shared examples of new digital services that the company could provide. He then coupled intent with a concrete outcome: the company would earn 75 percent of its revenues from digital services within five years.27 This combination of intent and outcome gave everyone in the organization a clear set of guidelines to envision new ways of working. It also ensured that the transformative vision focused not on technology but on finding new ways to improve performance and customer satisfaction through digital services.

Similarly, Hispanic media conglomerate PRISA painted a clear picture of how a digitally transformed media company would operate across its wide range of media properties, from newspaper to satellite TV to educational publishing. Video of a soccer star recorded in Africa could be immediately available to PRISA’s media properties in Spain, Brazil, and other parts of the world. Or the company could coordinate social media and digital marketing with traditional media advertising in global campaigns across media outlets. PRISA’s CEO, Juan Luis Cebrian, gave a clear target: 20 percent of the company’s revenues would be digital within five years.28

**Evolving the Vision over Time**

If you create a compelling vision and help employees believe in it, then the broader organization can fill in the details. Aim to make your digital
vision specific enough to give employees a clear direction, while giving them the flexibility to innovate and build on it.

Asian Paints started in the early 2000s with a vision to move from a regional company to an integrated one. This vision combined operational efficiency with new ways to serve customers. The vision provided a clear mandate for change while enabling people throughout the company to refine the details over time.

Since then, Asian Paints executives have led three successive waves of digital change—each building on top of the other. The first wave focused on industrialization, the second on creating a customer-centric organization, and the third on automation. It is moving to a fourth wave, which will link structured and unstructured data—such as internal and external social media—to further improve customer engagement and internal employee collaboration. The company’s original vision remains a key inspiration behind improvements in operations and the customer experience, even as the company has extended its vision through successive waves of capability.

Meanwhile, digital technologies are a moving target. They continually change as some technologies die, others improve, and new ones are invented. Nobody can reliably predict the next new technology blockbuster. And it’s impossible to make specific long-term predictions of how companies and individuals will use technology. Your organization’s digital vision will evolve as technical advances and your new capabilities create new opportunities.

The vision of using analytics to deliver personalized customer service at Caesars started by providing better information in real time to employees and evolved to self-service personalization through the website. Then the vision evolved again to include a real-time concierge on every customer’s mobile phone. At Progressive Insurance, the vision of making smarter decisions based on available data about customers evolved into new ways to gather data about actual driving behavior. That change in vision led to radically new products and decision-making processes.
HOW TO GET STARTED

An inspiring digital vision is the cornerstone of successful digital transformation. Though many executives are waking up to digital technology’s potential impact, few have created a compelling vision of the digital future. Digital Masters have a transformative digital vision. Other companies need to create one.

As you craft your digital vision, focus on your business, not the technology. Technology can remove obstacles and extend your capabilities, but it is not an end in itself. Focus on how you can enhance the experience of your customers, streamline your operations, or transform your business models.

Aim to be transformative, not incremental. Make your digital vision specific enough to give employees a clear direction, while giving them the flexibility to innovate upon it. Dream big, and then ask your employees to help you make the dream a reality. This is no small task. Crafting a vision for digital transformation is a journey. You need to plant the seed at the top, and then engage people at all levels to make the vision live and grow. In chapter 6, we’ll show how you can engage your employees to make the vision a reality.

LEADING DIGITAL CHECKLIST: DIGITAL VISION

✓ Familiarize yourself with new digital practices that can be an opportunity or a threat to your industry and company.

✓ Identify bottlenecks or headaches—in your company and in your customers—that resulted from the limits of old technologies, and consider how you might resolve these problems digitally.

✓ Consider which of your strategic assets will remain valuable in the digital era.
Craft a compelling and transformative digital vision.

Ensure that the vision specifies both intent and outcome.

Make your digital vision specific enough to give employees a clear direction, while giving them the flexibility to build on it.

Constantly be looking to extend your vision using the capabilities you have created.