



DIGITAL DISRUPTION:

Who's Leading the Charge?

WHY IT SHOULD STEP UP TO THE PLATE—AND 8 TIPS TO HELP IT SUCCEED

-By Art Langer

It should be no mystery that corporations need to be technology-centric when developing their competitive strategies. Staying viable in your given industry requires the ability to creatively exploit digital technologies. Still, many organizations continue to struggle to formulate digital strategies and to do so fast enough to ward off new and more agile competitors. Ultimately, new technologies are accelerators of change, and organizations must move fast to adapt or risk becoming obsolete.

SO WHO WILL BLAZE THE DIGITAL TRAIL FOR THESE FIRMS?

IT organizations should be quick to raise their hands. Whether you are a technology entrepreneur, CIO, CTO, or project manager, overcome your shyness about jumping into the digital end of the technology revolution with two feet. Remember that, if anything, digital technology is complex and requires the advanced skills that IT leaders bring to the table.

BIO

Dr. Arthur M. Langer is the Director of the Center for Technology Management at Columbia University. He is the author of numerous books including *Guide to Software Development: Designing & Managing the Life Cycle* (2016), *Strategic IT: Best Practices for Managers and Executives* (2013 with Lyle Yorks), *Information Technology and Organizational Learning* (2011), and *Analysis and Design of Information Systems* (2007), and has numerous published articles and papers relating to digital transformation, service learning for underserved populations, IT organizational integration, mentoring and staff development.

The question is how can IT professionals integrate better with their business partners and assume a leadership role that allows them to develop better digital-based organizations?

Ultimately, that requires a seat at the business-planning table. You can get there by proactively interacting with various business units and departments while informally pitching ideas for using digital technologies to the company's advantage. Eventually, one will take hold. Soon, your cross-departmental peers will become accustomed to looking to you and your organization for new ideas that take advantage of digital in ways that blow past your competition.

DISRUPTOR OR DISRUPTEE?

Perhaps the word most used to describe the accelerating change brought upon by technological innovation is *disruption*. The topic is more often referred to as "digital disruption." Digital disruption shortens the lifecycle of successful products and services, which means organizations have to keep developing new products to compete. We have seen brands such as Nokia significantly lose market share and have to readapt to stay current in the ever-changing realm of tech.

Companies need to recognize that their market share could be disrupted very quickly. You can usually determine your typical disruption exposure by observing indicators such as consumer satisfaction levels or market sensitivity to product pricing. So the timing of a successful disruption is very dependent on whether the market is ripe for a new product that improves customer service at a lower price or offers more service options. Ultimately, firms need to think about whether they want to be disrupted or be the disruptor.

RISKY BUSINESS

Being in the right place with the right disruptive idea is not solely a mathematical calculation. It may be predictable in many ways, but there will always be risk factors because of the complexity of variables at work in any market. However, if you do decide to transform your business model, you must move quickly; the time to act and complete an initiative is critical.

Be sure to take into account that all disruptions will have a failure rate. For example, when an athlete plays soccer, not every kick towards the net results in a goal. The same goes for disruption. The challenge then is to determine an acceptable success rate. Always remember that if you don't kick the ball, you can't score. Taking risks is simply a requirement of digital transformation. Thus, businesses need to launch many initiatives of which some percentage will be successful.

IT leaders need to be the advocates and executors of change. They must provide the leadership and the direction to help navigate an organization through digital transformation. All this means that IT leaders must reinvent themselves into a role that transcends being the person who keeps the lights on. IT leaders who fail to seize this opportunity will likely be locked into a permanent support role. Indeed, many organizations have already established new C-level positions such as the Chief Digital Officer and Chief Innovation Officer, who are responsible for the digital strategy in their firms.

Just how do you become that executor of change? Here are eight tips for success:

#1

Change the business cycles of technology investment. Technology investments must become part of the everyday or normative processes, rather than being tied to economic opportunities or shortfalls. In other words, it's not a good idea to base new ideas around a specific event, new technology, or competitive announcement, then wait for the next event to take the next step. This approach creates discontinuities in culture shift, when dealing with digital disruption must be a 24/7 proposition to succeed.

#2

Encourage your organization to upgrade legacy operations. Do this by reviewing processes, examining talent, and reconsidering staff roles and responsibilities. Ultimately, organizations must have the willingness and ability to start anew and say: "OK, we're going to do it in a completely different way."

#3

Get closer to the company's customers. Whether you're in the B2B or B2C business, eventually, there is a consumer. An IT leader that can help the business use technology to improve its responses to consumers' needs is invaluable.

#4

Embrace the ever-changing landscape of tech. The previous experiences that organizations have had with IT are not a good indicator for its future use. Technology innovations must become more digitally focused and evolve through infrastructure, learning, and process evaluation.

#5

Remember that digital technology is central to competitive strategy. IT leaders need to ensure that technology opportunities are integrated with all discussions on business strategy.

#6

Manage digital innovations through intracompany and customer linkages. As noted, IT leaders must establish interfaces across the business by being very active with various departments and units, especially with business customers.

#7

Pay close attention to intellectual capital. Managing this knowledge requires IT leaders to create processes that transfer tacit knowledge to explicit knowledge.

#8

Embrace an adaptable mindset. Successful IT leaders must develop architectures, manage change, and deal with short- and long-term projects simultaneously. Most importantly, they need to convey that not all projects will succeed or have long life cycles.

IT leaders can be game changers when it comes to leading organizations through digital transformation. But first they need to take initiative. Become engaged with business partners and customers to help your company take advantage of digital innovation so that it can retain—or even surpass—its standing in your industry.