Adapt to survive, or adapt to win…

There are more articles, papers and consultants than I can count on the topic of transformation in business. Many of them focus on the idea of transformation, and now especially “digital transformation” as a **means of survival**. I suggest an alternative, but complimentary idea. Don’t think of transformation as a survival exercise. Use transformation as a **vehicle to truly be transformational**, not in the buzzword sense, but rather in the overall value chain perspective.

To transform to survive is relatively straightforward. Look at where your peers are going, and queue up alongside them at the industry feeding trough. You will have a shot at staying relevant for a period, but your investment will likely be drowned out by the noise of the accompanying industry shifts, and be no longer lasting than the last series of “revolutionary ideas” the organization has moved through in the past. Transformative change comes from taking a hard look at your own house, industry, supply chain, and customers.

- What are the trends in your industry pointing to?
- What is your risk tolerance? (organizational, industry, regulatory …)
- What are the trends across adjacent spaces that move more nimbly than your own?
    - How can you choose to leapfrog your competition and industry by making bold investments, while mitigating some level of risk by learning from adjacent spaces?
- Is your broader organization ready to accept your changes?

Trends in your industry

The trends in your industry point to where your peers are headed. This is good information directionally, but also a map to “what is” as opposed to “what could be”. Use this as a means to cross check your ideas – are they closely aligned? If the answer is yes, you are likely transforming to survive.

> How can you take a leadership position in your industry, partnering with your consumers / customers and your respective regulatory bodies to bring the consumer ever closer to the value? For heavily regulated industries, how can you ensure regulations evolve along with your technological investments? Be a trendsetter through partnerships with the regulatory agencies. Gain the competitive advantages from being positioned to take advantage of emerging legislations and changes.

The idea of adapting to win comes from being bold, and as a part of that, being a thought leader. This comes with risk, which leads to the next point.

What is your risk tolerance?

I learned many years ago to assess my risk tolerance for any given initiative, and to share that information with other senior leaders for confirmation and alignment. I have seen doors open that previously were firmly shut,

once risk tolerance was understood and accepted. Conversely this also serves as a set of organizational guard rails to ensure that the proper foundation is set prior to embarking on your change event. Thinking through the risk, communicating the value of the risk and potential upside to the right stakeholders will set the change event up for maximum success. This is a topic all on its own, and something to give real thought to. Risk management should be thought of as a tool, and something to actively own as opposed to something to avoid if you are to grow.

Trends across adjacent spaces

Examining your own industry can be informative, but taking a hard look at industries that are much less regulated, or less constrained and closer to the forefront of technology and engagement is the key to starting to build your vision. To chart a course for transformation, a leader must have some idea of the future possibilities for the organization. A “North Star” must be defined, and a vision that can be clearly understood articulated. To do that, pointing to success sets up a believable path for your own industry and makes the unbelievable more realistic in the minds of your stakeholders. The adjacent spaces will likely have forward thinking that is not hindered by the regulatory or other structural burdens of your industry, and hence you as a leader are responsible to **building the bridge of believability** to get there, using your risk tolerance and vision as a foundation.

Is your broader organization ready to accept your changes?

The question of change readiness is a difficult one to face for many organizations, and is difficult enough at the project level, and even more so at the organizational change level. There is an element of “the org will do what I say”, to be sure, but real change will come from the people in the organization getting behind the mission, and both understanding and supporting the transformation activities. To gain this support, a non-trivial amount of up front work is required as well as continuous change management through the life of the actual transformation, and then well beyond the “done date”. The real value to be extracted from this significant investment comes in the “run state” of the new model. To get that, plan to invest in long running change management, voice of the customer and “micro tweaks” as well as highlighting the value in broad messaging.

Focus on the people, celebrate those team members who are bold and join the change as leaders, but do not forget those in the back who are supporting the leaders. People deliver on what is rewarded and celebrated. If as a leader, you celebrate “done” at the org alignment milestone and then resume business, you will miss the sustaining value of the change. Plan for a long tail on the investment. This is a real financial investment, but without it, plan to gain minimal transformative value.

Properly nurtured, the change event will result in a lasting difference in your organization and its ability to deliver meaningful value to your stakeholders. Remember to set a clear and compelling vision, and then measure yourself and your organization against that on on a regular basis. Celebrate success, support the change and be prepared to hold the course when things are difficult!

Digital Transformation… by any other name? Learning from other industries

I was reading an article at CIO Dive about the CIO at cosmetics conglomerate Estée Lauder Companies Inc. and it resonated with a transformation we are undertaking in the pharmaceutical industry. The thing I love about these types of situations is the broad applicability of good thinking, but also the value of "stream jumping", a term I picked up from an agency I worked with in a past role focused on innovation. The key idea of this stream jumping is taking lessons from adjacent spaces and applying them to your challenges, not being constrained to "my industry".

> In the article, the author Mitch Betts says: Michael Smith joined the New York-based "prestige beauty" company as senior vice president and chief information officer, information technology last year, with a mandate for pushing IT innovation to help the company stay abreast of the fast-moving beauty industry, where an Instagram photo of celebrity's new lip gloss can drive sales.

While the drug industry is not reactive to that degree, our engagement is around delivering life saving medicines as quickly and effectively as possible. As a part of that journey, the patient connection is taking an ever more prominent role, whether it be in the trial compliance or reporting, medical routine compliance, or health monitoring, or any of a number of other scenarios.

Mr. Betts lists the year one accomplishments for the CIO and his team.

1. Reorganizing IT to align with business units, instead of technologies, so IT stays can stay close to business needs.
2. Hiring IT talent, globally, with new skill sets.
3. Fostering greater IT agility and speed, such as moving from waterfall to agile software development processes, and breaking down walls between applications and infrastructure groups to adopt DevOps.
4. Moving from a buy-and-integrate IT strategy to building systems in-house when they provide a competitive advantage

It is interesting to see the pendulum swing on these principles, as over time I have seen a few of these move in and out of favor. What is particularly encouraging is the **recognition of the value of Agile software development and DevOps.** This helps de-risk some of the moves to build vs buy and business unit alignment of IT functions.

The classic waterfall model tends to drive a centralized service mindset, and long lead to value cycle times, which creates a host of challenges in meeting expectations, both customer facing and internal delivery team focused. When coupled with decentralized business alignment, it creates a continuous conflict for service time,

and generally leads to infighting in my past experience. It is possible to make it work, but the effort expended is not commensurate with the value returned.

An agile approach, coupled with decentralized IT staffing can potentially yield optimum results, however there is opportunity to drive efficiencies into the model through replication of core services. The ideal match for this approach would be a scalable, SLA driven managed service provider approach to the commodity centralized services – “classic IT”, while devoting the employee headcount and leadership to the business facing roles and the intersection roles.

Every managed service has an inward facing employee accountable for performance. These leaders are measured by each business facing lead, as well as the internal metrics. This will help ensure a balance of efficiency vs. effectiveness in delivery of value, while taking the complexity of scaling and growth off the plate of the business facing teams.

The article does not go into any detail about the specifics of the alignment, but this is yet another in the trend I am seeing around the recognition of the value in taking an agile approach, and adopting agile development practices. This concept scales beyond the software development, to collaboration, organization and most other value streams.

This transformation for Estée Lauder, as well as the others in flight, will be interesting to watch over the next year. This is especially true as we are in the beginning stages of our own internal changes!

Link to the original article

Don’t die of Innovation Indigestion!

I recently read an article from Mckinsey, by Dr. Waguih Ishak, the division vice president and chief technologist at Corning Research & Development Corporation. You can find the full article here: https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/creating-an-innovation-culture but I am referencing a portion of this piece. I encourage you to follow the link and read the rest.

He touches on an important point, and almost off handedly, hits another very critical point on the innovation journey. The quote I would like to focus on is this:

> Conventional wisdom holds that organizations die of starvation from a shortage of good ideas and projects. In reality, they are much more likely to die of indigestion. A surfeit of projects with inadequate staffing makes delivering on anything less likely.

I have participated in, and led innovation efforts at multiple large enterprises over my career. When I read this quote, it resonated so strongly I felt compelled to draft this short piece. What grabbed my attention on this, is the idea that many leaders (including myself) have focused on ways to bring innovation in to drive more demand through improved engagement models and “cultural change”. This is often seen and celebrated as part of transformational change to drive business value, and all the other clichéd terms we like to use.

In reality, there is often more to be gained in focusing on first principles – focusing on the hard work of understanding our teams, understanding what we need to be successful, listening to our people and giving them room to innovate and explore the ideas they already have. We seem to celebrate work over value, and so often I see the valuable “thinking time” being driven out of our days.

We have an opportunity to stop – look at our teams and prioritize thinking. Learn to get to know the people we have and probe them for what they would do if they were the leader. Then we can select the best ideas and get out of the way – empowerment and space are unbelievably powerful innovation tools!

Demand without capacity is a fool’s errand, and creation of capacity comes through prioritization of value over work, and a recognition that innovation must be nurtured and given space. As value is created, it must be celebrated, as failures are seen, they must be dissected to pull out the value of the lessons. Keep the focus on the VALUE PRODUCED, not the IDEAS GENERATED. Value measures will vary depending on the effort, but they must be a part of each effort, and a part of the mindset and story to ensure innovation is meaningful, even when risky and / or exploratory.

Business Relationship Management – the role of IT as a strategic partner

Business Relationship Management is a name for what is generally referred to as the “IT business partner”. This is a role that sits between the more traditional IT organization and the broader general population in an organization, and helps translate opportunity and need to IT solutions in the most general sense.

I have held this role in various forms for a significant number of years, and over that time, heard many opinions on what it means, and how to represent value. I met Vaughan Merlyn while working at my current role, and took

the Business Relationship Management training, from the BRM Institute, from him. I enjoyed the course and was aligned with the approach enough to become a trainer for my company, though we have yet to fully realize that further expansion.

The salient point in this short post is the value of the role as a strategic partner, and how that is differentiating. I have had a number of conversations with peers in what we call our business partner roles, but that represent the BRM role. I hear a lot of complaints about how they don't want to be order takers, and how they struggle with relevance in a world where most business leaders are increasingly IT savvy. My argument back is that this is the time to truly embrace the definition of the BRM as described by the BRM institute, and seek to be defined as a strategic partner as opposed to "yet another IT gal / guy" who wants to add friction to my life.

I love the intro on this in the BRM institute:

> Designed to **bring value to an organization through the convergence of different business functions**, the business relationship manager (BRM) role is a **senior-level, strategic business partner** who shares ownership for **both business strategy and business value** results.
>
> HTTPS://BRM.INSTITUTE/THE-ROLE-OF-THE-BUSINESS-RELATIONSHIP-MANAGER/

My position is that we now have a great opportunity to capitalize on the growing appreciation for the contributions of technology to our business processes and by taking the time to truly understand our business domain as well as the technologies relevant to not only that field, but adjacent spaces, we can become that trusted advisor that helps shape business strategy to take advantage of both current technology and by understanding risk tolerances, also bring in emerging technology where relevant to the business outcomes!

We need to have the courage to see ourselves in the BRM role as those trusted partners, but that only comes through real investment in the business goals and strategies. The ability to "work on the surface" of the relationship is gone if a BRM leader wants to be relevant. What used to be differentiating is now table stakes, as technology is often not a mystery and leaders are increasingly aware that they can gain advantages through well thought out approaches and tools. A real BRM, functioning as a strategic partner, will collaborate closely

with the business teams, understand where they (Collectively) are trying to go, and in parallel, actively engage in industry research to better understand how to guide that business through the landscape of current and emerging technology options.

The strong and relevant BRM will be immersed in the business they support, and working regularly to be relevant and upgrade their technical skills, as well as building a broad and deep network of thought leaders to partner with.

This role is tougher than ever, but the opportunities are correspondingly growing at a feverish pace. I had conversations with one of our young innovators this past month, working with serverless solutions on AWS bringing data together into a Spotfire visualization, and came away so energized around opportunities across our portfolio I had trouble narrowing down on approaches to focus on – but that is the subject of another post though.

For now – as a BRM, please focus on continuous skill building and domain understanding to remain relevant, and help own a seat at the table, not sit at the edges hoping to be included.