

**THE ROLE OF LEADERS
IN DIGITAL TRANSFORMATION:**
HOW TO LEAD BEFORE, DURING, & AFTER YOUR DX INITIATIVES

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INTRODUCTION

For Carla, modernizing her mid-sized organization's contact center tools was a long-overdue project. As VP of Business Development, she recognized that improving customer interactions was key to continued growth. When the company selected a vendor in early 2021 and scheduled installation and implementation of a new system for the late fall, Carla was excited to champion the project.

However, the project was plagued by obstacles and confusion from the beginning. The project lead was an excellent IT technician, but he lacked communication and project management skills. In addition, he had to continue to perform his regular job as well as manage the contact center rollout.

On the user side, things weren't much better. Contact center agents felt disconnected from the process; many feared that their jobs would be at stake if customers could connect with the company through chatbots and self-serve options. By the time anyone considered formal training, the software and equipment were already in use, and agents mostly had to fumble through the new system. Customers were frustrated as well, and the company saw a dip in its Net Promoter Score¹ and a loss of several agents.

Carla bore the bulk of the blame for the poor roll-out, and she knew the poor results of the digital transformation effort would be an obstacle to her own career goals.

The project had seemed so necessary and worthwhile—where did it go wrong?



THE BIGGEST OBSTACLE TO SUCCESSFUL DIGITAL TRANSFORMATION

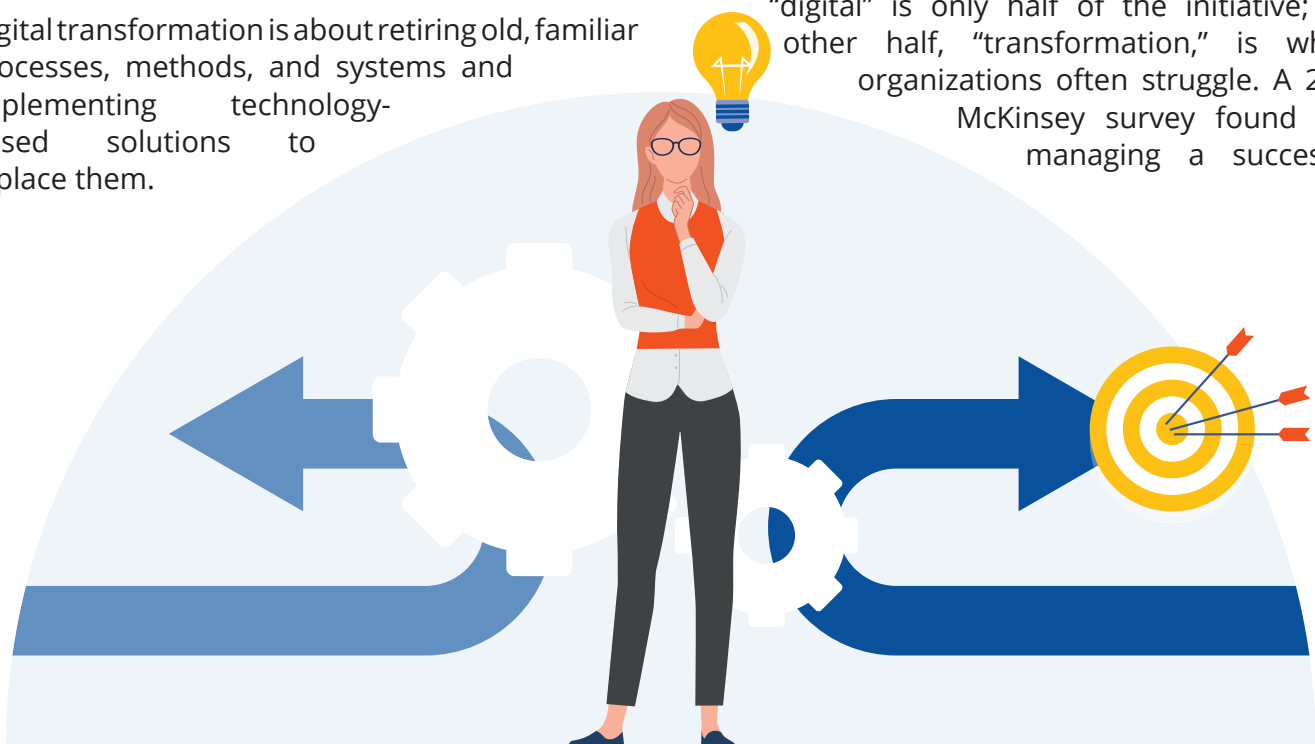
In our fictional example, Carla was right to see the need for digital transformation of her company's contact center system. The customers were clamoring for better tools, the agents wanted increased flexible work options, and the company found a high-quality solution to support both goals. Carla recognized that digital transformation is about technology and people, but she believed that the impact on team members would be minimal, so she decided not to focus efforts too much in that area.

Carla is not alone. Many leaders believe implementing new technologies will be a simple prospect—that technology will work as expected, and people will adjust to the new processes and systems. People use new technology on their cell phones every day with ongoing upgrades or new apps; why should work technology be different?

Digital transformation is about retiring old, familiar processes, methods, and systems and implementing technology-based solutions to replace them.

Proponents typically cite the improvements these new solutions will produce—efficiencies, connection, customer experience, and so on. However, while the intentions are noble and the improvements are real digital transformation projects bump up against the oldest software in the world—human nature. People are naturally resistant to change, and when they feel disconnected or imposed upon, they will resist change even harder. A 2021 survey from Third Stage Consulting Group found that the number one obstacle to a successful digital transformation was organizational change.² Without a clear road map of the changes and detailed information about how to work with a new technology, people may freeze, wait for the direction, or simply check out.

What some leaders fail to realize is that “digital” is only half of the initiative; the other half, “transformation,” is where organizations often struggle. A 2021 McKinsey survey found that managing a successful



transformation requires numerous consistent, ongoing actions across the process to achieve success.³ For senior leaders charged with managing digital transformation projects, the most important skill to bring to the effort is not technical expertise, business acumen, or strategic thinking. While all of those are helpful to the overall process, the fundamental skill that will make or break a digital transformation project is the ability to manage change across the organization.

Unfortunately, many leaders get in the way of successful transformations simply because they overestimate the capacity of their organizations to undergo the change. “Transformational change starts with an honest acknowledgment of how hard the work will be, how much capacity and discipline the organization actually has, and the personal commitments of sponsoring executives to change first,” says Ron Carucci, co-founder

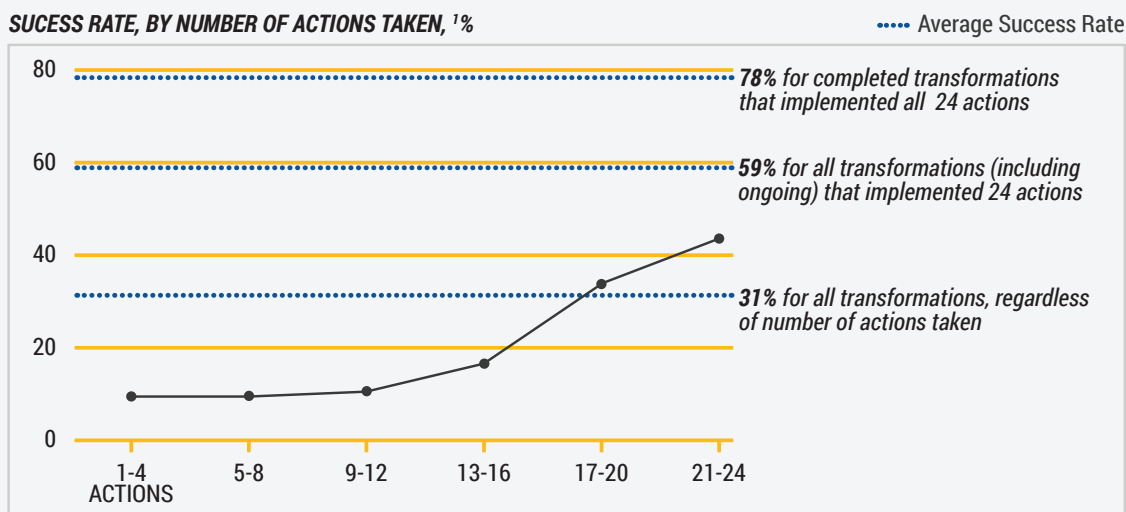
and managing partner at Navalent. “Further, communicating change effectively requires listening to the organization twice as much as telling the organization about the change.”⁴

Managing change isn’t just one skill; instead, it’s a set of skills that pulls from many different abilities, such as strategic thinking, listening, collaborating, and comfort with moving quickly. It’s an ability to connect the dots—to pull together disparate pieces of information and put them together into a coherent picture that unifies and propels the entire organization toward shared goals and results. Peter Senge, director of the Center for Organizational Learning at the MIT Sloan School of Management, calls it “systems thinking.” In a paper for Paradigm Learning, he says, “It is a framework for seeing interrelationships rather than things, for seeing patterns of



TRANSFORMATION SUCCESS RELIES ON A COMPREHENSIVE APPROACH

AND IS MORE LIKELY TO BE ACHIEVED WHEN COMPANIES TAKE A GREATER NUMBER OF ACTIONS



¹ Respondents who report “success” said the transformations they are most familiar with have been very or completely successful at both improving performance and equipping the organization to sustain improvements over time.

Source: McKinsey & Company

change rather than static snapshots.”⁵

Managing change isn't bound by a software vendor's implementation dates. To manage the change of a digital transformation project for maximum buy-in and success, leaders need to

begin long before the project has an official kickoff date and continue well after the new technology is installed.

LEADING THE CHANGE

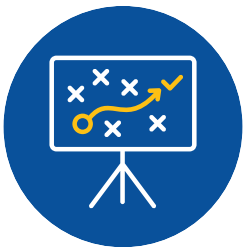
When launch dates feel distant, leaders may push the change management activities out in favor of other priorities that must be accomplished before the new technology is turned on.

A successful change begins with support well in advance of the change. Here are some ways senior leaders can prepare the organization for an upcoming digital transformation initiative:



TEAM: SELECTING THE RIGHT HANDS-ON LEADER(S)

Select the right person (or people) to be the hands-on leader of the project: Hands-on leaders of a digital transformation initiative need two sets of skills: business management and technical acumen. Depending on the size of the project, it might be helpful to choose two people—one from each side of the business—to coordinate and collaborate. If it's more feasible to select just one person, pick someone from the business side and train the technical skills necessary, or ensure the availability of a solid technical lead who can translate.



GOALS: DEFINE METRICS TO MEASURE SUCCESS

Set goals and metrics that will help you measure success during and after the project: A BCG study found that only about 30% of digital transformation projects were considered successful. Of the companies the firm studied, only two out of five companies with unsuccessful transformations defined and tracked outcomes, compared with 90% of organizations that had successful transformations.⁶ Work on these in conjunction with the leaders who will be your hands-on managers and any outside vendors or contractors who might be supplying your technology. Setting 30/60/90-day goals can be a helpful exercise at this stage to help keep everyone on track. Project teams need a clear path of expectations, timelines, deliverables, and dependencies. Implementing new technology is a team endeavor, and everyone needs to be rowing in the same direction. A leader who can frequently communicate this team perspective is critical to success.