DESIGNING EXPERIENCES FOR THE
THE ORGANIZATION OF THE FUTURE

2017

CONFIDENTIAL & PROPRIETARY

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AGENDA

• The 4th Industrial Revolution
• The Challenge
• Building the digital organization
• Designing the digital experience
• Design examples
The 4th Industrial Revolution is upon us
Its speed, velocity and impact are unlike anything we have experienced
Digital lowers barriers to entry, strengthens competition, and changes the rules governing how business is done.

Cross-border data flows are surging and connecting more countries.

<table>
<thead>
<tr>
<th>Regions</th>
<th>NA United States and Canada</th>
<th>EU Europe</th>
<th>AS Asia</th>
<th>LA Latin America</th>
<th>ME Middle East</th>
<th>AF Africa</th>
<th>OC Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandwidth</td>
<td>&lt;50</td>
<td>50–100</td>
<td>100–500</td>
<td>500–1,000</td>
<td>1,000–5,000</td>
<td>5,000–20,000</td>
<td>&gt;20,000</td>
</tr>
</tbody>
</table>

2005
100% = 4.7 Terabits per second (Tbps)

2014
100% = 211.3 Tbps

45x larger

McKinsey Global Institute
But to be successful in the Digital Age…

... enterprises require far more profound change than merely investing in these latest digital technologies

- Digital business models
- Digital operating models
- Digitally-literate leadership and a digitally-ready workforce
- Resilient corporate culture that can deal with constant change
The new digital organization is more knowledge-intensive than capital- or labor-intensive.

Digital businesses emerging characteristics:

- Efficiency
- Hiearchies
- Controlling
- Extrinsic rewards
- Human work and machine work
- Responsiveness
- Networks
- Empowering
- Intrinsic motivation
- Human-machine partnerships
"If the rate of change on the outside exceeds the rate of change on the inside, the end is near."

- Jack Welch
Higher priority is needed to build the digital organization if we are to reach our digitalization goals.

Market transformation and shift of customer expectations

Company’s strategic reorientation toward digital

Employees’ new needs and expectations

Evaluate the evolution of existing jobs

Identify jobs that will appear or disappear

Define future skills required for existing jobs

Assess current competencies of employees

Define skills required for future digital jobs

Develop employees’ competencies to meet digital transformation demands or acquire talent via M&A

Digital workforce transformation

To win in the marketplace, we need to be digital in the workplace.
Why are we lagging behind in our digitalization of the organization?
The challenge
The obstacle to digital transformation is organizational, not technological.

We see four fundamental challenges to building the digital organization

Building:

• Aligned leadership
• The right organizational capabilities
• A mechanism for organizational agility
• The right culture
Leadership must collectively tackle the digital imperative today

Why?

- Short-term focus dominates
- Relevant pain points not viewed in context of digital strategy
- Digital seen as evolutionary
- Lack of clarity on how to move forward
- Lack of leadership consensus / operating as silos

For most CEOs, digital transformation is a longer-term challenge that will play out over the next decade, not an urgent risk to competitiveness in the next 1–2 years.

The Conference Board CEO Challenge® 2017 survey
Companies must identify their critical organizational capabilities and determine how they will build them.

Emerging capabilities:
- Customer experience management
- Product and service design
- Human development
- Digital asset management
- Business model agility
- Experimentation and innovation
- Digital-first leadership
- Knowledge identification, creation and sharing
- Market evaluation and sense-making
- Risk and business resiliency
- Sustainability management
- Systematic learning and exploration
- Technology integration into work

Elements that constitute organizational capabilities:

What is critical to strategy?

How to build them?
Organizational agility and culture are two halves of the same coin

Responding to an open-ended question about digital threats, 3,700 business leaders globally cited as a top concern the lack of agility and cultural complacency

MIT Sloan aligning the Organization to its Digital Future
Digital agility is a new animal

• Companies are:
  • Still adapting organizationally by old ways of organizational planning
  • Going digital at the edges – no enterprise perspective
  • Focused on efficiency and effectiveness
  • Cost of digital transformation cannot be easily assigned to cost centers
  • Technology is prioritized as digital strategy

A new dynamic approach to organizational design is needed
## Organizational culture must shift

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Traditional Culture</th>
<th>Digital Culture</th>
</tr>
</thead>
</table>
| **Strategic**     | • Is product and finance focused  
                    • Has a rigid planning mindset                                                   | • Is customer obsessed  
                    • Disrupts effectively by introducing external insights and rethinking assumptions |
| **Operational**   | • Expects clear definition of process and roles  
                    • Pursues incremental improvements                                              | • Is comfortable with ambiguity, disruption and continuous change  
                    • Drives innovation (work design)                                              |
| **Practices**     | • “Plays it safe”  
                    • Wants to “solve problems myself”  
                    • Seeks out perspectives “like my own”  
                    • Has unconscious people biases                                                 | • Is curious and transparent  
                    • Seeks diversity of insight / unique perspectives  
                    • Actively participates in knowledge creation and sharing  
                    • Recognizes, rewards and promotes based on performance  
                    • Best ideas win                                                              |
| **Human Development** | • Expects explicit and defined career paths, job training and leadership development programs  
                        • Sees feedback as discrete, reflective                                          | • Embraces idea of the “learning worker”  
                        • Takes ownership for one’s career  
                        • Sees feedback as continuous and integral to work  
                        • Has a people development mindset                                           |
Building the digital organization
What is the digital organization?

The hallmark of a digital organization is **digital dexterity** – the capability to dynamically deploy and reconfigure human and capital resources apace with rapidly changing technology and market conditions.

MIT Initiative on the Digital Economy (2016)
To be dexterous, digital organizations require:

- A digital-first mindset
- Aligned to management systems
- Digital-age work practices
- A digitally-enabled workforce

... all shaped by technology tools, experiences, and resources
A “digital first” mindset is more than technology

An instinctive, positive, and proactive attitude toward digital possibilities

“Digital first” is multi-faceted:

- Embracing all forms of digital wherever possible
- Customer and employee digital experiences prioritized
- Innovation, product development, service delivery, etc. realized through digital
- Behavior and expectations shaped through technology
- Digital experiences deployed that attract and enable talent
- Development of new digital abilities and mindsets in employees prioritized and enabled digitally
Established management systems are a powerful opportunity for digital enablement.

- Priority organizational capabilities
- Key common enablers of work
- Opportunities for innovation and optimization in the digital experience

Business Areas:
- Business strategies
- Key business goals
- Major initiatives
- Critical enablers

Enterprise “horizontals”:
Methodology and practices of:
- R&D
- Human development
- Strategic change management
- Information technology
- Operations
Creating new work practices requires a deep exploration of new work design and human behavior … and an iterative approach.
Vital new work practices emerge at the fusion of human and machine
Building the digital workforce requires substantial new skills

Moving people is tremendously difficult, particularly in legacy businesses.

**MOST IMPORTANT SKILLS FOR 2020**
Percentage of respondents who cite how important each will be for their organization’s success in 2020

<table>
<thead>
<tr>
<th>Skill</th>
<th>Very Important</th>
<th>Somewhat Important</th>
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<tbody>
<tr>
<td>Ability to work with data and analytics</td>
<td>69</td>
<td>20</td>
</tr>
<tr>
<td>Ability to collaborate</td>
<td>67</td>
<td>22</td>
</tr>
<tr>
<td>Specialized data skills</td>
<td>53</td>
<td>31</td>
</tr>
<tr>
<td>Process automation</td>
<td>47</td>
<td>34</td>
</tr>
<tr>
<td>User experience design</td>
<td>43</td>
<td>31</td>
</tr>
<tr>
<td>More knowledge of IT across the business</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td>Mobile development expertise</td>
<td>37</td>
<td>35</td>
</tr>
<tr>
<td>Social media skills</td>
<td>36</td>
<td>36</td>
</tr>
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*Source: Harvard Business Review Analytic Services Survey, December 2016*
Companies don’t become digital overnight – they evolve
Designing the digital experience
The Employee Experience emerges from strategy and business design.

Driving behaviors:
- Transparency
- Risk-taking
- Empowerment
- Customer-centric
- Design thinking
- Knowledge sharing
- Networked / connected
- Experimentative
- Multi-disciplinary

Leaders
Managers
Teams
Individuals
The Employee Experience models the digital organization.
A compelling experience enacts new work practices and makes culture actionable.
Designing the digital experience

Design for shaping culture
## Culture needs to be designed into the experience

### “CULTURE IN ACTION”
Me as a member, common language, mission and value proposition

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<th>People Situations</th>
<th>Practices</th>
<th>Initiatives</th>
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</table>
| Design addresses common **people situations** – providing context and relevant intelligence that “live out” the cultural commitments of the organization in these scenarios | **Design makes sense of concepts**; educating and reinforcing ideas, behaviors, language in the context of work practices, concepts such as:  
- **Empathy**  
- **Leadership moments**  
- **Customer-centricity**  
- **Diversity of teams and ideas**  
- **Shared approaches / behaviors** | **Design creates awareness and promotes** engagement and personal development opportunities where culture is present, such as:  
- **Programs of recognition**  
- **Culture of Health**  
- **Culture of Inclusion**  
- **Global citizenship**  
- **Ambassadorship** |

### Shared Resources
Artifacts of commitment, paths to engagement, cultural resources, manager/leader toolkits, process and program “maps” and collateral

### Experience Attributes (outcomes)
Part of a community, engaged, connected, motivated, empowered, aligned

### Growth Mindset
Shared purpose, bold ideas, support for leadership behaviors, managerial courage, pursuit of diverse perspectives
Assimilate early, reinforce in action

Shaping Culture
Build a culture of continuous learning
It's a big world out there
At WCE, your next role isn’t limited to the next rung on the corporate ladder. Mobility opportunities are everywhere – across the aisle and around the globe.

Demonstrate the value of journeys

Help us get to know you better!
Sharing your plans and aspirations helps us partner with you to meet your goals.

Shaping Culture
Shaping Culture

Promote bold ideas and elevate innovation
Encourage connectivity & personal branding
THANK YOU

MIMI BROOKS

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