

# Year in 2017 Review

## 10 ideas that changed our industry last year

- 1 Culture is the conversation glue
- 2 Learning is the path to worker opportunities
- 3 Change management is business management
- 4 Every company is a technology company
- 5 Marketplace = workplace
- 6 Digital experiences are human experiences
- 7 Methodologies are the new silos
- 8 Digital is changing the nature of work
- 9 Employee experience gets a VIP voice
- 10 Disruption is the word of the year

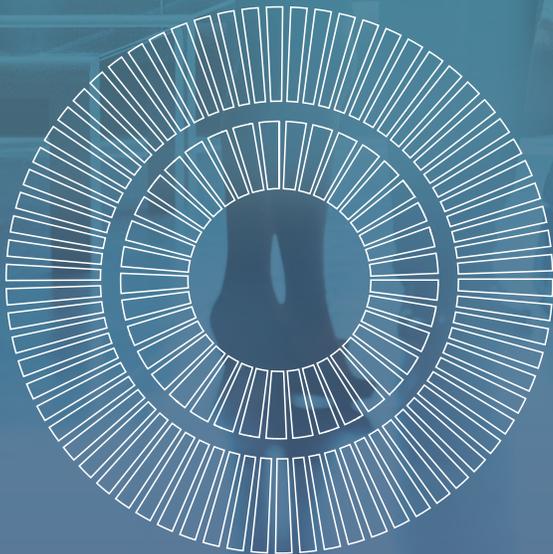
We've seen organizations embrace digital transformation as a critical necessity, and we've paved the way for digital experiences that enable new ways of working, learning, and conducting business. New technologies and trends turned our heads, but what stood out in 2017 were the digital-first ideas that moved from the bleeding edge of tech discourse to the center of industry conversations.

From our perspective, these are the can't-miss innovations, ideas, and realizations from the past twelve months.

1

# Culture is the conversation glue

From industry forums to tech meet-ups to leadership team off-sites, Culture was the center of attention in 2017.



## What Moved?

Culture was center stage in business transformation conversations around the globe as businesses shifting to growth strategies recognized their culture as a barrier – rather than an impetus – to change. The mandate is simple: want to be a digital-first company? Get a digital-first culture.

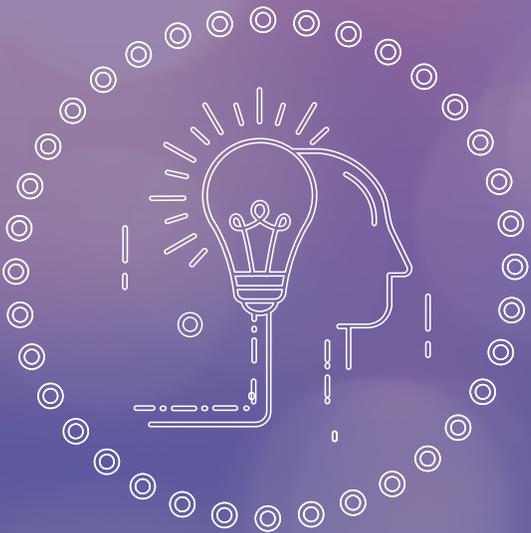
## What Didn't Move?

Despite the focus, cultural efforts struggled to move from theory and commitments to adopted practices. Mindsets and behaviors won't move until we define new work, new ways of working, and new roles of people in digital organizations.

# 2

## Learning is the path to worker opportunities

Human Resources and learning functions focus on continual and experiential learning as paths to building the workforce of the future.



### What Moved?

Companies define learning and development as the vehicles for attracting, aligning, rewarding, and retaining talent. Dependencies on diversity and inclusion, culture, new rewards, and other organizational change levers are recognized as critical in the workforce learning strategy.

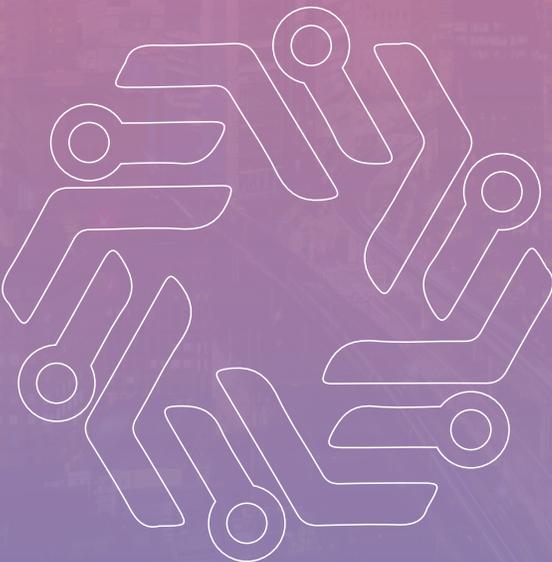
### What Didn't Move?

Good strategies for developing and delivering personalized learning experiences struggle in an ecosystem overflowing with learning assets. Consumer-grade digital is badly needed here – not to replace learning or point solutions, but to curate, target, and contextualize learning opportunities as integral, relevant aspects of a holistic career journey.

3

# Change management is business management

**The practice of change management is under attack as disruption and continuous change become the new steady state.**



## What Moved?

Decision makers recognize that building sustainable, resilient, agile organizations is a way of doing business, not an outcome of change management. We saw discussions across the business ecosystem on the need for change to be absorbed and contextualized as an integral part of business strategy. It's no longer the last thing to factor in a transition plan – instead, change and adaptability are core organizational capabilities.

## What Didn't Move?

Functional and business unit siloes can be barriers to achieving holistic organizational change, despite an otherwise shared interest in change outcomes (like culture). Change practitioners haven't yet reliably earned a seat at the business strategy and organizational design tables, which limits their impact.

# 4

## Every company is a **technology company**

In pursuit of growth, many companies embrace the emergence of business-digital platforms that fundamentally redefine business and operating strategies into dynamic business ecologies, driven by innovation and poised to compete in the new digital economy.



### What Moved?

Companies are beginning to understand these technology-enabled business and operating models, and to advocate for their compelling value propositions. The scope of new platforms is significant, ranging from core business processes such as Supply Chain to core administrative processes such as Human Resources.

### What Didn't Move?

Too much focus on technology alone continues to be misplaced. Also, businesses still can't translate new business and technology models into a functioning organization and related sets of work – that is, the new things people actually *do*.

# 5

## Marketplace = Workplace

2017 saw reasonable acceptance of the need to coordinate the digital marketplace with the digital workplace, to design and build the companies that will succeed in the global digital economy.



### What Moved?

Organizations realized that to be digital in the marketplace, they needed to be digital in the workplace. Motivators like competitive hiring practices, engaging and retaining best talent, and the changing nature of work all contributed momentum to the cause to address employee and worker experiences.

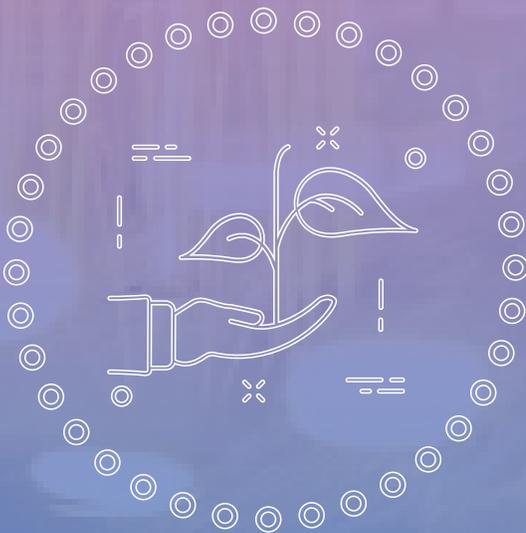
### What Didn't Move?

Employee-centricity is not equally prioritized (or funded) relative to customer-centricity. Ahead of us are digital strategies and investments that future-proof people and the organization, prepare them for new work, and reward aligned behaviors. Visionary leadership is required to design the emerging digital organization, with high sensitivity to those digital-human decisions that will affect people and work for a long time to come.

# 6

## Digital experiences are human experiences

Consumers – in the marketplace and in the workplace – expect intuitive experiences that invite their engagement. Digital solutions must inspire creativity, be socially responsible, and resonate on an emotional level.



### What Moved?

Design concepts such as empathetic design, calm design, and ethical design were finally embraced as principles. Digital strategies prioritized fueling collaboration, connecting individuals, and instilling a sense of responsibility for the digital world we are creating.

### What Didn't Move?

“Dark Patterns” remain the foil to digital humanism, suppressing the transparency and trust necessary for digital communities to thrive and innovate freely. Interfaces designed to mislead users undermine the sense of accountability individuals should feel towards those outside of their circles.

# 7

## Methodologies are the new silos

Enterprise methodologies – such as LEAN, LEAN Digital, innovation platforms, Agile, and Digital Product Lifecycle Management – have emerged as potential levers for driving coordinated digital transformation across organizations.



### What Moved?

Methodologies have a stronger digital orientation and benefit from C-level visibility, significant enterprise-level teams, and often robust budgets.

### What Didn't Move?

A variety of methodologies operate across the enterprise, deeply rooted and yet not inherently aligned. Executive leadership is unclear on the impact of misaligned methodologies. The few coordinated, enterprise initiatives are early-stage and tend to be technology-centric (as digital transformation interests can be tied through the CIO organization and its methodology). There is work ahead to develop aligned methodologies that serve common business interests across the organization.

# 8

## Digital is changing the nature of work

Whole classes of work and jobs are under consideration for elimination, transformation, or re-creation through radically re-imagined work designs driven by tech.



### What Moved?

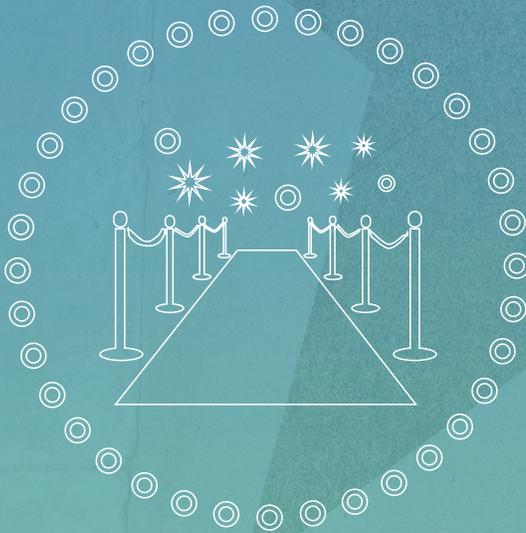
Emergent digital technologies – including machine learning, drone surveillance, robotics, virtual reality, and advanced data analytics – were successfully integrated into work practices in previously unimaginable ways, dramatically and visibly transforming jobs and the nature of work.

### What Didn't Move?

Although companies are awakening to the wide-spread disruptive impact of digital to work and jobs, many – particularly legacy businesses – still try to go digital “on the edges” instead of wholly reimagining and redesigning work practices and processes necessary for transformation.

# Employee Experience gets a VIP voice

The employee experience gets the senior attention it needs and deserves.



## What Moved?

Senior sponsorship, often in HR, has stepped into ownership of the employee experience and brought much-needed executive and business leadership to this important area. The timing of this with HCM cloud and digital projects created a disproportionate focus on technology and platforms, as opposed to a holistic, strategic experience for engaging every member of the organization.

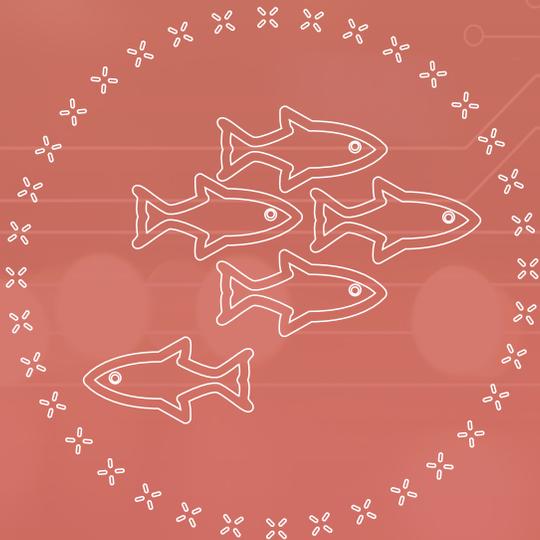
## What Didn't Move?

Decision makers still see the employee experience as an aggregate of technologies, not as a lever to digital transformation as a business strategy. Its alignment to organizational capabilities and behaviors needed in the future state is unclear at best. Digital opportunities are underimagined and overly focused on optimization, not innovation. In short – we see clear ownership, but limited vision.

10

# Disruption is the word of the year

Perhaps this is the word of the decade, and one tied – perhaps dubiously – by the digital avant-garde to a sanguine belief in the overall positive impact of digital to the economy and society, regardless of dramatic, short-term social upheaval.



## What Moved?

Disruption moved out of the business journals to become a significant and visible reality in sectors as diverse as retail, finance, transportation, and healthcare.

## What Didn't Move?

We haven't yet achieved an appreciation that change in business design and in work itself is becoming a continuous, "business as usual" concept – and one that must be managed with an ethical consideration of the implications for people as individuals and as a society.