



A Winter Reflection: Burn Your Digital Strategy

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As you sit next to your winter fireplace, basking in the glow of the fire, swirling cognac in your brandy balloon and thinking deeply about how to face 2018 as a digital business leader (no, me neither – it's just an image), I would like to suggest one small move that will make things a whole lot better:

If you have a digital strategy, toss it into the fire, and watch it burn.

Even if it was just prepared for you at significant cost by a fancy management consultancy. (Especially if it was just prepared for you by a fancy management consultancy, my colleague Simon Wardley might argue. And I might agree with him. But that's another story.)



Digital strategies are bad because:

1. Whilst *IT* is a functional area (like marketing, or finance, or logistics) and hence needs a separate strategy, *Digital* is a lens on the whole business. It's not a separate functional area, so you don't need a separate digital strategy – in fact, it is likely to lead you in the wrong direction.
2. Digital alone is not enough. As LEF's *Winning in the 21st Century* model explains, you need a lot more than 'digital' to be successful in this time of massive disruption and uncertainty. Change is needed not just in the sexy areas of product strategy, etc., but in organization structure, talent management, project delivery, collaboration and culture.
3. There is lots of confusion about what a digital strategy should cover. Should it be about digital marketing? More automated processes? Adoption of the cloud? The internet of things? A new, online subsidiary? Mobile apps?
4. Often digital strategies are written or led by outsiders following a standard template. Digital is very contextual, and your best strategy may be very different even from that of a close competitor, both in terms of scope and content.

So, please toss your digital strategy into the fire with gay abandon, and replace it with a *21st century strategy stress test* – a set of questions that will ensure all aspects of business strategy are optimal in the face of digital possibilities and threats.

LEF has recently developed such a strategy stress test. It has 39 questions that we have grouped to help companies focus on the seven key areas where digital and related trends can change the game:

- A) **Corporate/Group Strategy.** The questions here focus on if, and how, any aspects of digital change the core purpose and approach of the overall group, and what should be shared.
- B) **Business Unit Strategy.** These questions focus on whether digital changes the product and service opportunities and competitive environment.

- C) **IT Strategy.** Here, we encourage a rethink of the role of the IT organization, its talent and architecture.
- D) **Marketing Strategy.** This section generates an analysis of digital impact on all aspects of the marketing lifecycle, including product and service design, channels and prices.
- E) **Supply Chain Strategy.** These questions ask whether platforms, data and automation can cause a step change in supply chain performance.
- F) **People Strategy.** This addresses a broad range of topics related to how people work, including structure, culture and workplace.
- G) **Finance and Risk Strategy.** This final section explores whether the ways the company manages value and risk flows, including value measures, benefits realization and approach to regulatory change, are up to the task in a digital world.

You may and probably will need all sorts of documents, like transformation plans, digital marketing plans and presentations to the board about the effect of digital on the business. But LEF suggests you don't need a digital strategy. You need to stress-test all group, business unit and functional strategies against a set of questions like the ones above. And you then need to embed that questioning in all relevant governance bodies and mechanisms, at least annually, and probably more often.

Now, let's get back to that brandy...

About Leading Edge Forum

Leading Edge Forum (LEF) is a global research and thought leadership programme dedicated to helping clients reimagine their organizations and leadership for a tech-driven future. We serve as a strategic touchpoint for CXO teams to provoke and challenge their thinking to help them win in the 21st century.

We believe that as business and IT become inseparable, virtually every aspect of work and the modern firm will need to be reimaged, and this creates exciting new digital opportunities.

Through an annual membership programme of research, events, onsite workshops and advisory services, we support senior leaders in areas such as strategy, organizational change, executive education, talent development and the future of the IT function. Members enjoy personalized access to our global network of thought leaders, clients and leading practitioners.

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