

PART ONE

Setting the stage

The wake-up call for a new form of leadership

My wake-up call happened one gorgeous late summer morning. I was fretting about the upcoming annual worldwide meeting, where all the most senior executives assemble to hear about each brand's panier of new products and planned marketing support to warrant the budgets for the next three years. My New York City-based team was kicking into top gear in the mad scramble before we all had to fly to Paris. I was sitting at my desk in my 19th-storey corner office in midtown Manhattan. The phone rang. I picked it up. And, at the same time, I glanced over my shoulder to the right. About four miles away, with a crystal-clear view, I saw a ball of flame. It didn't seem so large, but it was certainly visible. I hung up the phone and stood up. Smoke was billowing. I called in my assistant, Mary Ann, who

without missing a beat, warned that it must be a terrorist attack. Within 10 minutes, pretty much everyone on the floor had swarmed into my office as it was the only one with a view of the World Trade Center towers. The chatter was nervous, subdued. I turned on a local radio station. There was talk of a small passenger plane. Everyone dispersed and I called Paris for a short chat with my boss. I told him about the explosion. As soon as the call ended, I stood up and looked out on the bustling cityscape. I took a couple of zoomed-in photographs of the burning building. I was numbed in part by the distance and distracted by the issues surrounding the meeting preparations.

I have kept with me a vivid but inaccurate recollection of what happened next. Uptown, I thought I spotted a plane, flying down the length of the city. Maybe it was a Canadair coming to extinguish the fire raging on the upper floors of the tower? My attention stayed glued on this plane. I imagined the skilled manoeuvre needed to dump water at that speed, at that height. The plane headed straight for the smoking aperture, then suddenly banked right and dipped out of view. Some 30 seconds later, to my horror, there was another ball of flames engulfing the middle of the south tower. Reality grabbed hold. One penetrating thought struck me: How would my grandfather, the man I'd been named after, have reacted under these circumstances? A US Navy officer, married with a boy and a girl, he'd been shipped out to the Philippines in the summer of 1941. In the earliest hours of 8 December 1941, as captain of the USS Napa anchored in Manila Bay, he had written in the margin of the ship's logbook, '0340 hours. Received word that hostilities with the Japanese Empire had started.' In learning about his abbreviated life, I began to take stock of my own past, my own character and connecting with what was most important.¹

In the five hours that followed, I had an electroshock that continues to reverberate today. It made me start to question: What am I really doing that matters? As the years progressed, I came to understand how much my personal life was intertwined

with my professional career. We are indeed fashioned by our real-life experiences and it's important to recognize the role of our personal life in the way we develop in business. I went on an invigorating path to be the best version of me both inside and outside the office. I sought to embrace my true self and to merge my personal and professional selves to become one. Yet I've long had a nagging question: Why did I wait to experience a life-changing event in order to change? I am convinced you can find the answer without needing to suffer an electroshock. I'm hoping you will take inspiration from this story to start or complete your own journey.

In the wake of the global Covid-19 pandemic declared in March 2020, with so many people caught rethinking and reconfiguring what's important, it's time for a radically different way to think and act, with a leadership style that is neither currently taught in business schools nor commonly accepted in boardrooms. For those of you who are ready to gear up and lead as you are, welcome aboard. If you needed one last impetus, you may also see positive benefits in your company's valuation. Raj Sisodia and Jag Sheth, co-authors of *Firms of Endearment*,² showed that companies led by passion and purpose, so-called *firms of endearment*, significantly outperformed in terms of shareholder return. The firms of endearment featured in their book outperformed the S&P 500 by 14 times over a period of 15 years (1998–2013). These 22 US-based firms even outstripped the 'Good to Great' companies cited in John Collins' celebrated book of the same name by six times over the same period.

But, at the end day, as much as I would have you understand that the new leadership is a way to perform better, the massively underrated component is that, when YOU LEAD as I'll describe, it is far more enlivening and enriching for you on a personal level. And here's the rub: you need to be you. You will need to be honest with yourself, dig into your personal story and accept your whole imperfect self. If you plan to spend anything over 40 hours leading every week, that's 50 per cent of your waking

hours in a work week. Thus, it's got to be a genuine part of your life and who you are. When YOU LEAD, you'll find the best way to be yourself, get results and the genuine reputation to which you aspire.

What makes this era fundamentally different from the past is that the pace and volatility is now happening increasingly in the open. We, as leaders, are deluged by new questions, choices and exogenous forces and need to respond in real time, in plain view. Trust, the true currency of leaders, is sorely lacking. There is no prior roadmap to help us navigate through the change. The laws that govern the World Wide Web (aka the Wild West World) are systematically in arrears, requiring us to bring to the fore our own ethical backbone – which is by definition personal – as we decide about the new opportunities and usages of these new technologies.

When YOU LEAD, you'll find the best way to be yourself, get results and the genuine reputation to which you aspire.

In this context, as an executive you will need to adapt to a new form of leadership, one where you'll need to fix your personal 'North Star' setting and create your own moral compass. Being courageous enough to share both with your team, this will help you to chart your path, make the tough decisions and guide you ethically, often in uncharted waters. You'll learn why and how to lead from the centre, where you bring your whole self to work, day in and day out. You'll accept your own vulnerabilities and embrace the messiness of personal relationships. *You Lead* is, at heart, about human-first leadership. This will start with yourself, course through your employees and partners, benefit the customer, and thence the bottom line.

In *You Lead*, I've laid out how to construct your guiding principles and navigate a path through these disruptive times with the aim of crafting long-term success and accomplishment at the same time as a developing a sense of personal fulfilment.

Endnote

1. Lt Minter Dial, USN, was the decorated captain of the USS Napa, a World War One tugboat, stationed out in the Philippines when the war broke. In what seemed like an eerily similar surprise attack, at Pearl Harbor, 2,403 service members died. On 9/11, 2,606 people were killed in the World Trade Center and surrounding area. (A total of 2,996 people were killed that day, including the airplane passengers, in the four separate incidents). His life story is the subject of a book and documentary film, shown on History Channel and PBS, called *The Last Ring Home*.
2. Sisodia, R and Sheth, J (2014) *Firms of Endearment: How world-class companies profit from passion and purpose*, Pearson FT Press, www.firmsofendearment.com/ (archived at <https://perma.cc/2SRK-JRPM>)

CHAPTER ONE

It's a rocky world

CHAPTER OVERVIEW

As the winds of change continue to whirl at pace, it's easy to get knocked off course. Leaders need to find a way to navigate through often countervailing forces by having the courage to develop a personal and ethical voice. They must define what they stand for in themselves, with their employees and the brand's stakeholders. The transformation that leaders must make in these turbulent times is less about which new technologies to use, and more about having the mindset to want to propagate their use.

Making values come alive

One of the most important and disruptive shifts in business with the wave of new technologies, ranging from smartphones to social media to 5G to artificial intelligence (AI), has been the way we communicate. Many of these technologies directly

impact our communications. Moreover, the way we live and communicate outside of work is materially important for the way we work in business. This became patently clear during the Covid-19 pandemic lockdown where so many of us were thrust into working remotely from home. Our personal and professional worlds all of a sudden – even if it was because of an exogenous force – became intertwined. The notion of putting up a wall between our personal and professional lives is not just outdated. It's the quickest way to lose the plot. This doesn't just mean the ability to stay on top of the goings-on inside the company. It's about staying in touch with the lives of the employees and, crucially, how the real world operates and how your customers are living and consuming. As many of us came to realize during the lockdown, you couldn't just jump into a work conversation without first checking in on the personal side. This behaviour was lost well before the pandemic set in. In its aftermath, many will inevitably return to their old ways. But the ones who can allow for personal moments in the professional setting will learn to communicate in a far more effective manner.

New to those who discovered remote work during the pandemic, when working in a distributed manner communications become ever more important because of the lack of spontaneous informal chats that one might have in the corridor or at the watercooler at the office. We realized how, by connecting in with each other's context, we were able to create a more profound communication. For remote work to really work, communication style and practice become primordial considerations. And building trust is the critical glue to keep the workflow and outputs effective.

Meanwhile, those of you who keep hundreds of unread messages at a time are in real danger of losing the thread. Those hundreds will soon turn into thousands. And within those unread and unanswered messages will be potential customers, customer feedback, key information for decision-taking as well as key employee issues. There may even be meaningful messages

from loved ones. If that's acceptable to you as a leader, then you're setting a poor example for the rest of your team. Don't think that they won't notice at one point the red banner on top of your messages and mail icons.

I'm a steadfast proponent of being responsible for managing one's own communications and setting the proper example. However, there's always the awkward situation where your boss is the one who has the red banner indicating hundreds of unread messages. In such circumstances, you'll have to apply your skills of managing up. Your boss may be in need of some communication skills training to help manage the inbox of the various apps, including adjusting the settings and notifications. Pragmatically speaking, the best thing to do is to ask which the preferred channel is to reach him/her for important messages.

Bringing yourself to work

When you're working in a business, you necessarily bring with you your experiences and existence outside of the office. To ignore them is folly. I remember very well the feeling I had when a boss of mine told me that he was only ever interested in matters that involved work. Not only was I disconcerted; his attitude significantly cut down my trust factor in him. He came off as a cold machine. The issue today is that what happens in real life bleeds into what happens in the office and, similarly, what happens offline impacts online. You don't need to look further than how well you sleep to know that your out-of-office life can impact your productivity at work. But, with the speed of change and constant innovation happening around us, it's important for us all to be aware of the changing habits, options and opportunities that are being crafted in all manner of industries and sectors. These new usages and practices can be entirely relevant to the customer experiences you are hoping to create.

I don't know about you, but unless I'm in a Spring 2020 pandemic lockdown, hardly a week passes when I don't take an

Uber or Lyft. In keeping with the modern ways, I don't own a car. I read a personalized newsfeed on Flipboard, digest the best-curated articles via Feedly and am reading nearly all of my books on my Kindle. I will regularly ask Siri to operate my smarter-and-smarter iPhone. I'm doing well over 50 per cent of my non-grocery shopping on Amazon. I'm making payments with an array of online-only systems such as PayPal, Starling Bank or Monzo. I am buying coffee at a local café with Bitcoins. I'm finding tennis partners on OpenPartners, dog walkers on Pawshake and a handyman on RatedPeople. For fashion, I've signed up with all my sizes at Bonobos, the online fashion store for men, bought by Walmart in 2017, that provides In Real Life (IRL) fitting services with advice from *with-it* women. I'm running my home via Amazon's Alexa and staying at Airbnb on weekend getaways. The list goes on... differently for everyone, according to his/her needs, habits and circles. There are new services being conceived and launched daily. The key is that these activities and behaviours have a knock-on effect on my expectations and understanding of what's possible. And I consciously need to bring those experiences and options with me to work.

A leader who isn't immersed in using and staying abreast of these technologies will not be able to relate to the employee or customer experience. For this reason, a leader has to become digital him- or herself. It's not sufficient to be well read on the topic. And it's just not effective to delegate one's communications. When a marketing manager for a large consumer brand once told me that he didn't have time to use social media, I argued that he was in effect saying that he didn't have time to listen to his clients. The way you spend your time is a choice. And, even if it may be challenging to sort out the channels, much less the useful kernels from the sheer volume of noise, there are effective and efficient manners of being social, even at the highest levels. And, yes, it takes time to get up to speed on them and to set up an appropriately curated list of sources. But that's part of the process.

I provide, as a standout example, an individual who is no digital native or Silicon Valley start-up entrepreneur, but a chief executive in a large organization with many millions of customers. Ronan Dunne is the CEO of the Verizon Consumer Group and a self-described Chief Storyteller. He's also a regular Twitter user (@RonanDunneVZ) and has said on many occasions that he uses Twitter to listen directly to what people are saying about his business. He describes it as a way to walk down the aisles and listen to what is really going on, as opposed to the muffled lines of communication that typically happen inside the boardroom. Moreover, by using Twitter for 15 minutes in the morning, Dunne has an ear in the field, limited though he knows it is, that allows him to discourage the attitude among his direct reports of telling him what they *think* he wants to hear. Furthermore, by being active on this channel, he has become accustomed to the vernacular and is directly familiar with its benefits and pitfalls.

One last point about Dunne's presence on Twitter that is noteworthy: he presents a complete picture of himself that is personal, yet professional. Specifically, he is unafraid to announce his patriotic support for the Irish rugby team. Where some might be concerned about offending others, Dunne wears his colours on his sleeve. He incarnates the idea that you're better off being you than, for example, pretending to like everything in the same way all the time. By setting the example, Dunne is also encouraging his team and all employees under him to participate online. Of course, there must be guidelines and a degree of training; and there will always be the occasional mistake. Yet, by encouraging his team to be fluent online, he is mobilizing a very large group of potential influencers. And he won't be easily duped by his advertising agency into spending money on institutional campaigns that are tone inappropriate.

The employee as evangelist

The 'social employee', as written about in the eponymous book by Cheryl and Mark Burgess, is a very special concept that

cannot be injected into any culture without due preparation and work.¹ Ultimately, the best social employee feels as if the work about which they are chatting is merely an extension of their personal values, personality and, even, identity. This is why the thorny and highly tendentious issue of politics at work is becoming more common. Especially when the political issues are directly related to the industry in which you work, it is increasingly difficult for executives to skirt or duck the politics. But it's also important to gauge how much your employees, key stakeholders and customers also feel about the political issues. Not that one should always cave in to the demands of these stakeholders, but not coming out with a stance can be seen as quiet acquiescence. When an executive boldly expresses their opinion on political issues, it necessarily comes with risks. This is where having a strong understanding of your core market is crucial. Issues such as climate change, inequality or LGBT rights will over-index as concerns for the younger generations. We have seen numerous high stakes and controversial choices made by big name brands. For example, there was Nike's stand with Colin Kaepernick, the NFL quarterback who was fired after kneeling during the singing of the US national anthem, as a protest against police racism. It was a courageous decision by Nike's leadership that was bound to polarize people, including many customers. Aside from the collateral free press coverage around this polemic decision, the move evidently catered to and pleased a large core group of Nike fans. Sales have been solid in the aftermath. Less talked about, but equally (if not more) powerful, is the rallying cry around Nike by other up-and-coming athletes. Not that stock price performance can be directly attributed to the Kaepernick decision (September 2018), but Nike shares have done well. Since October 2017, at the time of writing, they've massively outperformed the S&P500. What I particularly appreciate about Nike's decision is that it was based more on culture and values than on a hardcore mathematical equation. They showed that they were not afraid to stand for

something, even if it meant taking a knee. They put their money where their mouth is. Love it or hate it, they took a stand. The Kaepernick mantra, under a Nike swoosh, is meaningful and real to its core:

Believe in something. Even if it means sacrificing everything.

It's proof that Nike just did it. Importantly, in this instance, there is a very real link between Kaepernick and Nike's core business. Aristotle said in his work *Politics* that human beings are by their nature political animals. By taking a political stance that is aligned with your values and resonates with your staff and core stakeholders, the chances of a good payoff increase.

But getting a financial return ought not to be the motivating factor. Don't take this example as a sweeping declaration that all brands must be political. I absolutely advise due caution.

First and foremost, the political issue must have relevance for the brand. Second, the senior team must be fully and genuinely engaged. It stands to reason that if the brand has yet to work out its values and what it stands for, it's best to do that homework before launching into the potentially controversial political agenda. Political stances

It behoves leaders today to stand up for what's right before it becomes an issue.

that are merely virtue signalling or aren't in line with the leader's personal convictions are more likely to fall flat if not foul. During the Black Lives Matter (BLM) protests, we saw many brands declare their support, yet who had never made any public declarations previously. Furthermore, some of these same companies seemed to be only paying lip service to diversity and inclusion. As a result, they got called out for their hypocrisy, including by their own employees. Whereas Nike was solidly on brand, its competitor Adidas was caught out for having a distinctly under-represented workforce, with just 4.5 per cent of its 1,700 employees in its US headquarters who identified as black.²

It behoves leaders today to stand up for what's right before it becomes an issue. Words won't suffice. Furthermore, having the courage to show (ie act) your colours is likely to galvanize your team. In an exclusive interview I had with Latia Curry, Principal at the communications agency, RALLY, she said that:

social and political issues actually allow for you to connect with people on an emotional level creating an affinity for you and your brand that can last, in terms of loyalty, for a long time.³

Here's a short guide to taking a political stand for your brand.

Guide to taking a political stand

If you're considering taking a political stance, here are the five steps you should take:

- 1 To the extent you've done your homework and your brand vision and values are well defined, evaluate which issues – ethical and political – align with your company's position. Limit your position to a specific issue. Make sure to do due diligence if you're hooking up with a particular individual, and don't sign up with a political party. Political parties have agendas that change, and they cannot and will not faithfully align with your company's long-term objectives and values.
- 2 Ensure that the senior team and the wider employee base are on board and craft some policy statements and guidelines that are systematically shared throughout the organization. In general, you as the leader ought to be prepared to communicate personally and widely on these issues.
- 3 Start by testing the waters. For example, this can take the form of expressing an opinion in an internal company meeting. This can also be with the next layer of important stakeholders on the front line (eg distributors, sales team).
- 4 Pick one or two issues in which you are prepared to invest not just time and money, but where you are looking to create impact and hopefully encourage, if not instil, change.

- 5 At all times, make sure to be extremely attentive to the ongoing climate and how your activities are being appreciated. As Curry stressed, it's important to develop a voice and avoid being tone deaf to the wider audience's cares and opinions.

When an employee is allowed to bring their full personality to work, the power and amplification of the social employee takes on another level. When an employee feels empowered to talk about the brand for which they are working, it is contributing to and reinforcing their personal brand. With a more evolved mindset, senior management (and human resources teams) should consider helping their employees to develop their own personal brand. For if personal affairs are systematically left at home and the professional life is squirreled away at the office, the enterprise is bound to operate at a fraction of its effectiveness.

A brand whose values resonate with its employees on a personal level is bound to make for stronger convictions, a more engaged sponsor and, ultimately, a stronger customer relationship.

The employee as consumer

Another divide that is equally important from a business perspective is between employees and customers. Developing empathy and an ability to think as and for your customer is becoming ever more vital. Every employee is a consumer outside of the office. But many employees (especially when they become senior managers) come to work and, while slipping on the corporate suit, seem to make abstraction of their lives as consumers. The excuse may be the pressure on results and the quest for shareholder return, yet it is precisely the experience of and empathy with the customer that will make the difference longer term.

Companies and cultures that privilege the 'rational' and 'financial' drivers of the business will undoubtedly struggle to adopt a customer-centric attitude. As it is, CEOs and top management are already cut off from the 'reality' of the customer

experience by spending obscene amounts of time behind closed doors and in meetings. When they do customer ‘meet and greets’ or store visits, their experience is often warped by well-intentioned managers who manicure the floor and present the brand in its best possible light as opposed to the reality. Not that you always want to give the consumer what they *want* (otherwise, we would only be riding faster horses, to paraphrase Henry Ford); but leaders need to embed honest listening into their boardroom. It’s up to each company to find its own mechanism, but I like to highlight how Amazon CEO and founder, Jeff Bezos, used the ‘trick’ of having an empty chair representing the voice of the customer at the table. It’s a fine substitute as long as the CEO allows others to invoke the customer in the face of the CEO’s wayward suggestion. In the case of Amazon, it makes consummate sense in that their vision statement is to be ‘the Earth’s most customer-centric company’.⁴ Obviously, Bezos’ personal dedication to this concept helps to make the presence of the chair come alive. The chair’s just a tool. Like all tools, their effectiveness depends on how they are used.

Branding is personal

In the business-to-consumer (B2C) world, customers are looking for a different kind of relationship with brands. Naturally, a customer of a laundry detergent is not expecting the brand to come and join the family for the Sunday roast. We aren’t always searching for a relationship with a brand. But expectations are such that consumers are looking for more than just a good product. At a minimum, they consider the surrounding service, before, during and after purchase, as part of the brand experience. Thanks to the multiplicity of digital tools and platforms, each brand has more opportunities to connect with its customers, to gain permission to exchange with them and to earn their trust. And it’s done at a personal level. Consumers – and employees of

these very same brands – are ‘unliking’ brands whose values are not sufficiently relevant, strong or believable. Customers’ consumption habits have changed. Rocked by wave after wave of bad news and worries – including economic woes, political doubts, potential terrorist attacks, man-made as well as natural catastrophes – layered in with the transformational effects of the internet, the consumer’s world has been structurally shaken.

Meanwhile, people in the business-to-business (B2B) world, while different in many aspects to B2C, put even more emphasis on trust. I still hear B2B executives suggest that social media has no role to play in their world. I disagree. B2B is inherently more about relationships. There are plenty, if not more diverse, ways to use social media to generate leads, convert business and enhance loyalty. A great example is LinkedIn’s Marketing Solutions Blog.⁵ Designed for B2B marketers, the blog is rich in great content.

Among the major consultancies, Deloitte created a video for its Global Impact Report in which the company affirms its purpose: ‘We believe that we must use our resources to make a positive impact on the world.’⁶ In this case, the video is targeted at its employees, future recruits and potential customers. It’s the kind of message that resonates on a more personal level. Even if the video is a bit too polished for my liking and has just 12,000 views, it shows that even in the driest of industries, social media can serve a useful purpose. As an important aside, one should judge the success of an effort based on the achievement of an intended objective, not on the vanity of the numbers.

If the new digital platforms and tools have an impact on every area of the business, the disruption in branding and marketing is especially important for leaders to get their heads around. In large part that is because there is no easy recipe to follow. What worked yesterday will systematically fail tomorrow if the appropriate learnings haven’t been made and integrated into the new programme or campaign. In matters of branding, a lot has

changed over the last decade because of two important factors. First is the resistance to BS. Overall, trust levels in corporate and marketing communications are low – and for the most part with good reason – because of an overdose of manicured and deceitful messages. In French, the terminology *faire de la comm* means de facto to manage the narrative, aka propaganda. A tweet that comes from the corporate Twitter account typically carries more weight if it has someone's personal initials as a sign-off. Not only does it humanize the company; it's a sign of accountability. Of course, better yet, it's most credible when it comes from an individual's account, complete with an appropriately filled-in profile.

The second and related factor is our latent desire for meaningfulness and a corresponding intolerance of inauthenticity. There is a major cleavage under way between value-added brands and the no-frills inexpensive brands. Brands and products positioned in the middle are, by definition, a compromise and risk getting lost in the fray. Aside from the revolution caused by the tsunami of new technologies, we've seen a large number of middle-of-the-road brands suffer or fail for a lack of distinction, positioning or conviction. Not only are we all more aware of or educated about the improprieties of brands, we are seeking more fulfilment out of the brands on which we spend our hard-earned money. We increasingly look at the brands we buy as a viable way to reaffirm our own set of values and identity. Brands whose promises are broken or don't ring true are increasingly rejected. Every category now has a reasonable unbranded or cheap alternative available, for example, at hard discounters.

The brand problem is accentuated by technology. It is now easy to see and compare inconsistencies in brand messages, thanks to the power of the Google search engine. And it's impossible to issue corporate messages (whose destined audience is typically the shareholder) that are incoherent with either commercial or employer brand messages. Not only are all these

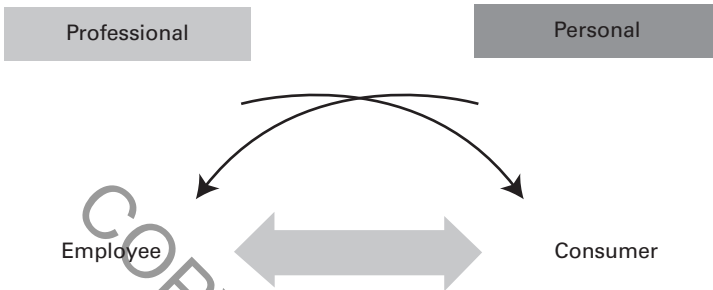
messages visible to the public online, the employee has a view of all such messages as well. As a result, it stands to reason that inconsistencies – that attempt to mask or manage the real meaning – will have a negative impact on employee engagement.

The evolution of branding

The notion of branding, thus, has materially changed and requires leaders to operate in a different manner. Specifically, and in response to customer trends, brands need to find ways to engage authentically and at scale. Customers don't care for spam; they want personalization. Institutional, impersonal messages are mistrusted. There are now many more touchpoints, enabled through technology, allowing for many more interactions along the customer journey with different individuals in the brand. These individuals are participating in creating a delightful customer experience that can't be dictated through rigid policies and processes.

And on the inside, with the heated competition for talent, employees seek fulfilment and a sense of belonging with a brand whose culture and values resonate. As a leader, in order to tap into the employees' discretionary energy and create greater engagement, you'll need to craft an environment that truly touches the team at a deeper level, day in and day out. You'll need to earn their trust and to demonstrate the behaviour you want to see happen throughout the organization. You'll need to encourage your teams to push the boundaries, collaborate together, experiment and overcome their fears. To make your brand come alive every day, you'll want your employees to be your brand's number one fans and advocates. As we'll explore later, you'll want them to bring their whole selves to the table. Everything converges on one important message: branding must get personal. As an executive, we need to allow for our personal spheres to merge into the professional and remember that we are at once consumer and worker (see Figure 1.1).

FIGURE 1.1 Embracing the divide between professional and personal spheres



Scaling the digital mountain

As we roll into the third decade of the 21st century, every executive team has had to undergo some form of transformation. There can't be many companies left who haven't awoken to the reality that the new technologies are having an impact on their way of functioning, no matter the industry. Notably, these new technologies have changed communications and the customer relationship. They've also materially changed the options in operations and, in many cases, the business model. Whether or not it's been under the guise of a specific digital transformation programme, executive teams have matured. At some level, we should stop calling these technologies *new*. Digital transformation will evolve to drop the word digital, and programmes will merely convert into business as usual. Yet, the vast majority of companies have only scratched the surface of what these technologies can provide. There are many more technological innovations to come, avenues to explore and new usages still to be uncovered. Thus, transformation is not a destination, but a journey; and the road ahead will remain paved with new challenges. As fast as the dust settles on an initiative, there'll be a new storm brewing around the corner. Executives barely ever

give themselves the time to decompress and digest the true lessons learned from their past efforts or errors, which will leave them prone. **When YOU LEAD, you will allocate sufficient time to understand and learn from your experiences and experiments.**

The mountain of opportunities

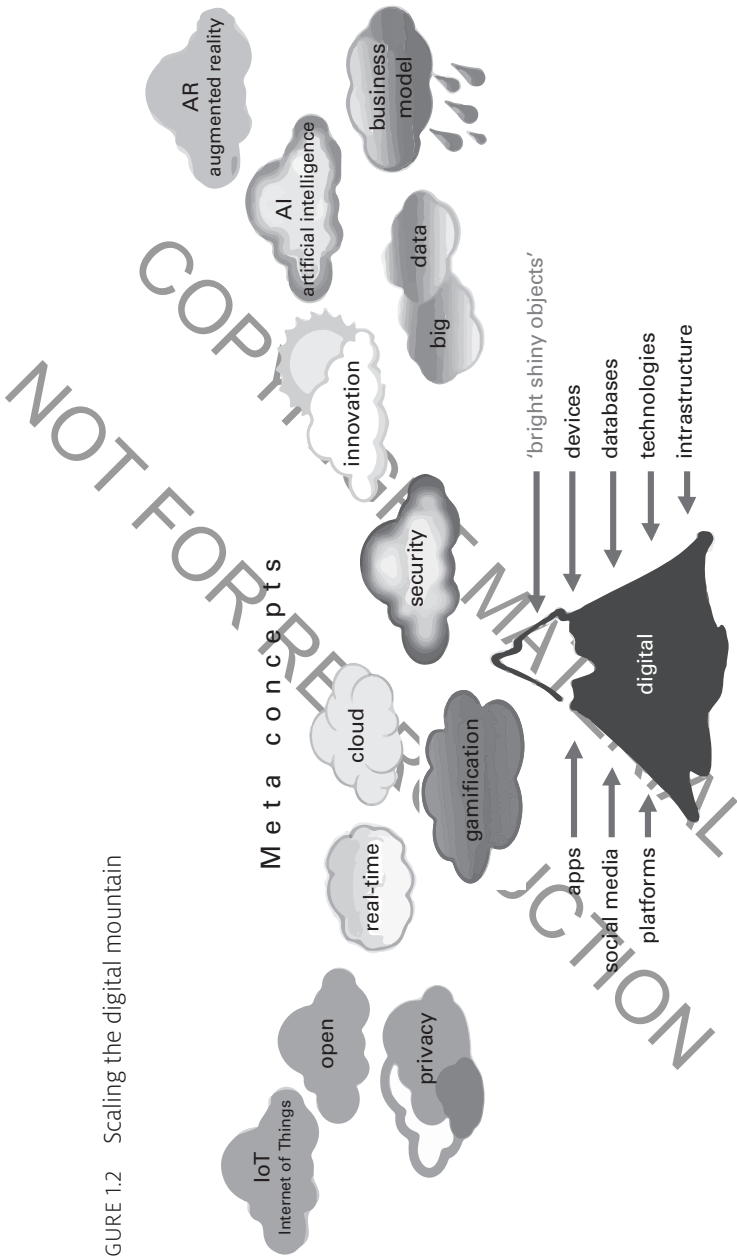
New technology offers the executive a plethora of options. For the most part, these can be viewed as opportunities. But there are plenty of risks and threats interposed among them. I liken the situation to a climber faced with an unscaled mountain, as shown in Figure 1.2. It's a digital mountain with obstacles and overhanging issues. Among the myriad choices, which path to choose? There are many concepts and layers that will nuance the choices and need to be taken into consideration, between the more dangerous challenge of security and the manifold ways of using artificial intelligence, to the need to operate in

By having a clear strategy that is shared throughout your team, you will be better able to orient your selections and apply your resources.

real time, with an always-on system. Between the onslaught of new tools and platforms and the multitude of new acronyms and foreign concepts, it is very easy to become disoriented. Without allowing the time for exploration and due consideration, it's difficult to take full stock of the options and impacts. The secret to finding your path up the mountain lies in how you tie in with your strategy. By having a clear strategy that is shared throughout your team, you will be better able to orient your selections and apply your resources.

Importantly, many people will underestimate the requisite change in operation in order to take advantage of it. That's because the change means tackling the business's culture. And that requires adjusting the mindset. Hopefully, with this book, you will be better equipped to tackle the change.

FIGURE 1.2 Scaling the digital mountain



The size of the task can create an enormous disturbance because the ‘digital transformation project’ is inevitably done in addition to keeping the business running. One needs to embrace the new tech all the while making sure that the current business isn’t upended. It’s like the integration of a new e-commerce platform or an upgrade in financial accounting software. There is a need for beta-testing in parallel to keeping the business humming. Then, when it comes to flip the switch, it’s all about making sure the shutdown is as short as possible and that the new interface or programme is working smoothly. In a digital world, however, it’s not about if, but *when* there are bugs. Not only are senior executives blithely unaware of these under-the-hood challenges, the risk is to focus on parsing out blame rather than learning the true underlying lessons. As important as digital has become, it is not a strategy in itself nor is it something that can be delegated to an individual. Digital touches all aspects of the business, horizontally and vertically. I wince whenever a company has marked digital transformation as a ‘strategic initiative’ (or words to that effect). Not only does it give too much weight to the technology, it eschews the need for radical cultural change, starting at the top. Digital by itself isn’t strategic. It’s a term that broadly represents an array of technological tools, devices and platforms that need to be applied to the company’s overall strategy.

*Digital, by itself,
isn’t strategic.*

The way a leader articulates the company’s strategy is really the vital – and often missing – piece for organizing the digital transformation programme.

Impact on business: how to unlearn and rewire

As companies tackle the digital opportunities, the challenge inevitably becomes one of organization and culture around one central question:

To what extent are we prepared to render an excellent customer experience?

There are questions of process and infrastructure that are absolutely fundamental to the equation. However, leadership teams cannot take refuge behind substantially rational questions and need to focus first and foremost on the people, their mindset and behaviours. The need is to figure out the 'old' habits that must be broken or 'unlearned' as Jack Uldrich, Chief Unlearning Officer at The School of Unlearning, has often told me in our conversations.⁷

And yet, as much as executives might roll out the mantra that the customer is king and blah-blah-blah, getting focused on the customer journey and experience is only a partial answer, as I'll develop below. At the end of the day, the key to providing exquisite customer service inevitably passes through the mobilization of your team. And to get that to happen, you need to embrace a new mindset (which we will cover in depth in Chapter 4).

Revisiting the budget

Among the major hurdles are the limited resources, both financial and human. The finance department is one of the areas where tradition runs thick, and where geekiness and social media netizens are few and far between. In order to 'fit in' digital into the workflow and embed it in the organization, there is a need to make strategic choices that help free up time and resources to make the company more agile and to be able to on-board the new tools, platforms and processes. Yet, as is often the case for large businesses, when the budgeting process means comparing last year's profit & loss (P&L) line by line with the prospective new year, the course of change is inevitably being handcuffed. It favours gradual evolution over revolution and reinforces the habit of repeating promotional mechanics on the anniversary of the previous year's activities. The discrete problem with looking

at last year's P&L is that it encourages people to worry about sunk costs, including bad bets and an outdated infrastructure. In this fast-changing world, it's important not to get too attached to past investments or bets when the market is moving in another direction. That's what took down Kodak and Borders. Even supposedly savvy companies can be blind-sided. Take Yahoo who bet the house on banner advertising, or AOL who failed to move on from its dial-up walled-garden business model. If these latter two companies still exist, they're but a shadow of their past and have certainly lost their independence.

As much as the chief financial officer (CFO) has a mandate for astutely managing the bottom line, it's important that he or she has a good measure of the real business issues. **Rather than increasing or reducing each line by tenths of percentage points, what would your ideal P&L look like if you were to start from scratch?**

What allocations would best accommodate a truly customer-centric and agile organization?

The organization: the end of the chief digital officer

Among the most important areas to revisit – undo to redo – is the way the company is organized. At first, for companies with low levels of digital maturity, there is a natural tendency to label someone as responsible for digital. However, the issue is that one person cannot be held accountable for digital. Aside from the impossibility of understanding the implications of digital at the operational level for every function or staying atop of all that is happening in digital and new technology around the world, digital – and continuous learning – is a layer that needs to be added into all parts of the business. It is thus the responsibility of all parties in the business to identify, own and embed digital themselves. While I understand the temptation to nominate a head of digital, the more digitally mature companies will know that digital belongs to all. A company that still has a chief digital officer is only signalling its retard.

Human resources: the right people

People will naturally talk about digital transformation and change management in the same breath. The issue is that, in this context, change management sounds like a project. Part of any attempt to 'digitalize' a business means ensuring that the right people are in place or, at least, part of the network. In my experience, if a company does not do a satisfactory audit upfront, there is a much greater likelihood of failure or, at least, ineffectiveness. Having the right people, in terms of competencies and capabilities, is one part of it; but having the right attitude is the more critical part of it. You can always teach new skills. But it's awfully hard to change an attitude. One cannot leave behind in the process the alignment of the HR policies and programmes. Human resources managers not only need to model the right mindset, they must know how to screen for the right attitude. They need to be intricately aware of the operational business challenges. To the extent the difficulty with digital transformation lies in cultural change, HR is the primary screening layer for installing the right mindset among new employees. This means creating an environment where work is meaningful, collaboration is endemic and individuals take responsibility for their learning, personal branding, cyber-security and their own sense of ethics. HR needs to make sure that the set goals, objectives and compensation are adapted accordingly, strategically supporting the business.

The right 'why' is the biggest motivation tool

Riding high above the digital transformation process and the motivation to tackle 'the digital mountain' is making sure that the organization is aligned behind a strong and shared purpose. At the very minimum, this should involve satisfying the customer in a comprehensive manner. At its best, it involves feeling that, as a group, you can make a material difference, not just to the bottom line, but also to all your stakeholders. Finding a higher

purpose in the digital transformation can become the true golden opportunity. It's a big ask, but it is the real question. We'll get to how to make that happen in Chapter 5.

Recap of key messages and actionable points

- What story we tell, how we tell it and where we do so are fundamental to the ability to mobilize the teams, relate with and to customers, and engage the broader stakeholders.
- It behoves leaders today to know to stand up for what's right before it becomes an issue.
- A brand whose values resonate with its employees on a personal level is bound to make for stronger convictions, a more engaged sponsor and, ultimately, a stronger customer relationship.
- Ideally, you want your team to take their work to heart. In other words, that they take it personally.
- Ensure you allocate sufficient time to understand and learn from your experiences and experiments.
- By having a clear strategy that is shared throughout your team, you will be better able to orient your selections and apply your resources.
- Digital, by itself, isn't strategic. It's an array of technological tools, devices and platforms that need to be applied to the company's overall strategy.
- Rather than increasing or reducing each line by tenths of percentage points, what would your ideal P&L look like if you were to start from scratch?

Endnotes

1. Burgess, C and Burgess, M (2013) *The Social Employee: How great companies make social media work*, McGraw-Hill
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