



C|B|I|

# Bigger, Faster, Stronger

How your large business can fuel its digital transformation journey

June 2019

Practical member guide  
Innovation

In partnership with

ORACLE<sup>®</sup>  
Cloud



# This member guide provides:

---

- Best practice for planning, preparing, testing and executing innovation initiatives within your company.
- An outline of the structural, economic and security challenges faced by companies like yours when attempting digitisation.
- Ideas to spark discussion among senior executives within your business as to how they can make digital transformation a success.



# Thoughts from our partner

---

'I've been hearing about digital transformation for years, but it always seemed like a future promise.' This is what a lot of customers tell me in the meetings I attend. Shift towards outcome-based business models and consumerisation of technology have dramatically changed the expectations of customers and employees and created an experience gap for most organisations. Today, thanks to advances in cloud-based technologies, organisations can build new, more agile operating models better equipped to support the demands of today's nonstop digital economy.

When routine tasks can be automated and new data insights generated from connected processes, all teams can be unleashed to focus on what matters most: effectively maximising current markets, identifying where the next growth markets are and how to capitalize on them.

Over the past 12 months, Oracle has partnered with the Confederation of British Industry to understand the opportunities and barriers, to UK Plc, in response to digital disruption. We are proud to sponsor the CBI's latest study, *Bigger, Faster, Stronger – how your large business can fuel its digital transformation journey*, which examines the significance of adopting digital technologies to the UK economy and key principles to ensure market success in a global economy increasingly driven by customer expectations and technological innovation. This research couldn't come at a better time, given today's market volatility and the need for digitally-savvy C-suite able to help their companies address the business challenges that lie ahead.

Here at Oracle, we've always believed that digital transformation is about business change to close the customer experience gap that traditional organisations typically face. We ourselves have been going through this journey, as we shifted our business model to be service and experience led. As the report shows, C-suite's leadership is essential to ensure that strategic investments in digital business models and transformation initiatives pay off.

I hope you find *Bigger, Faster, Stronger – how your large business can fuel its digital transformation journey* useful as you look to modernise the organisation in support of your own business objectives.



**Vikram Singla**

Strategy Director – Digital Transformation,  
Oracle



# The case for large business transformation

---

## **There is no alternative: it's do or die.**

Digital transformation is the process of using digital technologies to radically reorganise a business, so it can deliver a seamless and efficient customer experience.

Digital disruption is already here. New technologies have created new opportunities for competitors and raised customer expectations in ways that present immediate challenges.

# 40%

Of companies in the FTSE 100 a decade ago are no longer there.<sup>1</sup>

# 80%

Customers now expect the businesses they deal with to deliver a seamless, personalised digital experience. A recent survey found that 4 out of 5 consumers said that they expected customer advisors to be instantly familiar with their personal details across all channels.<sup>2</sup> This expectation applies pressure throughout a business and many large, well established companies can find their traditional operating models struggle to meet these growing demands.

Existing large businesses need to respond to these trends, and digital transformation is the process for doing so. The CBI estimates that increasing innovation adoption would be worth over £100bn to UK GVA.<sup>3</sup>

1. CBI analysis of constituent data, 2019  
2. Closing the expectation gap, BT, 2017  
3. From Ostrich to Magpie, CBI, 2017

## Digital transformation offers large businesses the opportunity to become bigger, faster and stronger

By harnessing the disruptive power of digital transformation, there is an opportunity for large companies to see a growth in revenue over the coming years and weather the storm of political uncertainty.



### Bigger

Digital transformation is a driver of growth and the size of the prize is huge. Global, widespread, successful transformation in the industrial sector alone is estimated to be worth \$0.8 trillion.<sup>4</sup>



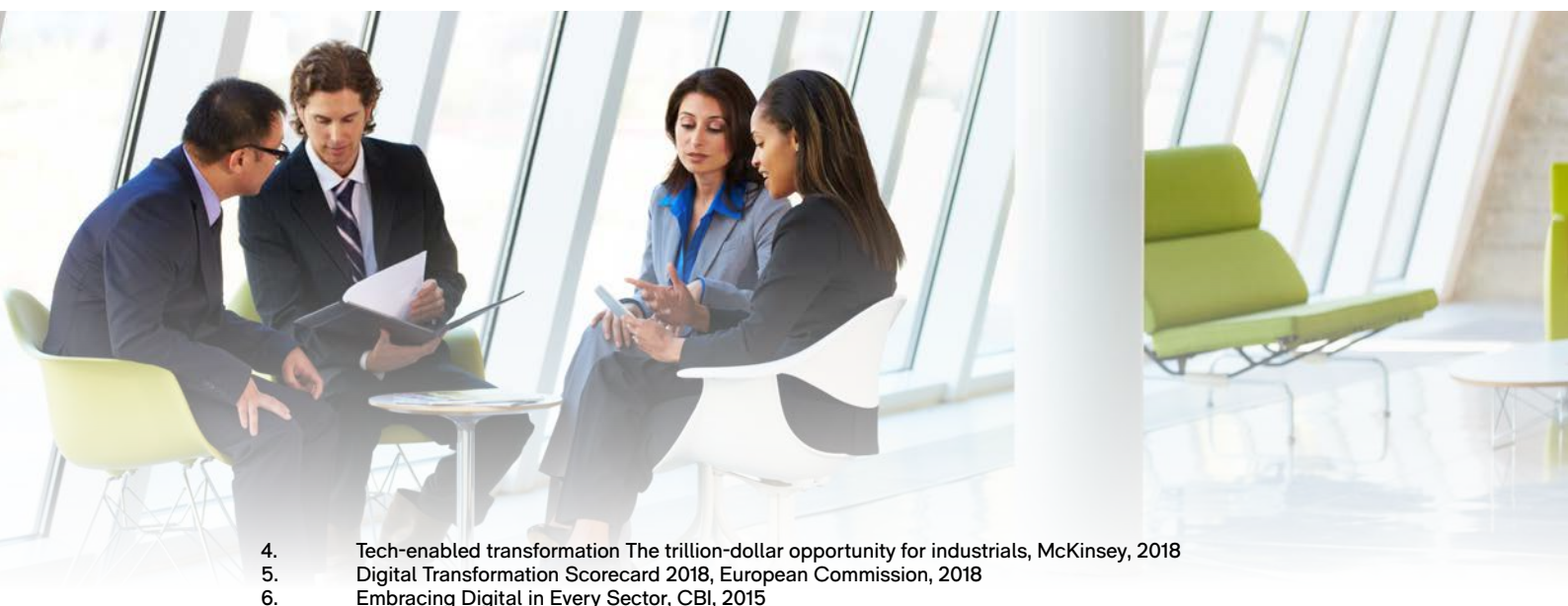
### Faster

Digital transformation could speed up business growth; evidence shows that 66% of technology adopters have maintained or increased their employee numbers,<sup>5</sup> while 94% of businesses view digital technologies as a crucial driver of productivity.<sup>6</sup>



### Stronger

Digital transformation can drive business resilience by improving productivity, employee engagement and international competitiveness. Investment in new systems and software that constantly updates, could also enable companies to outpace their own disruption.



4. Tech-enabled transformation The trillion-dollar opportunity for industrials, McKinsey, 2018  
 5. Digital Transformation Scorecard 2018, European Commission, 2018  
 6. Embracing Digital in Every Sector, CBI, 2015



## **Large companies must embrace digital transformation to address disparities in productivity and pay**

Despite making up just 0.1% of the total business numbers, large companies make up 48% of UK turnover and employ 40% of the total workforce.<sup>7</sup> Ensuring this relatively small number of businesses can successfully transform will have a profound impact on British business and help the wider economy become fit for the future.

The received wisdom may be that large companies find this easy. But the evidence from the latest EU Digital Transformation Scoreboard paints a very different picture.



Smaller companies are more likely to adopt technologies than larger companies.



Young start-up companies are 'born digital' - young firms (under five years old) and mid-aged firms (between 10 and 15 years old) have the highest degree of technology adoption.



Firms aged between six and 10 years and those over 15 years have the lowest share of adoption.

A recent Oracle survey of global decision makers within businesses found that only 54% of UK respondents felt that disruptive technologies played a large role in their organisation. This was far behind international competitors such as France, Germany, India and Russia.<sup>8</sup>

7. Business Statistics, House of Commons Library, 2018

8. Having a successful innovation agenda, Oracle, 2019

# Common barriers to digital transformation

---

While being perceived as bigger, faster, and stronger than most companies; size, speed and resilience all offer their own unique challenges within a large business when it comes to digital transformation.

Three challenges are felt more acutely by the largest companies:

- Bigger can mean older, and older can mean dealing with legacy systems and processes
- Faster competition
- Stronger, but also more visible

## Bigger can mean older, and older can mean dealing with legacy systems

Legacy systems and aging operating models are continually cited as a major factor preventing companies from undertaking digital transformation projects. Due to their size and longevity, this can be particularly crippling for many large businesses. Working across multiple platforms, regions and countries means that large companies will often have years of complex legacy systems entrenched within their daily operations. Changing these systems often presents a significant challenge, especially within older and bigger firms.

### **Companies cannot afford to start from scratch**

Legacy systems have value. The insights that can be drawn from the data already held by large firms is often necessary for the continued operation of a firm. Ensuring these are accessible during any transition will help secure continuity of service for customers and will not impede on employee productivity.



*“Legacy systems sometimes hinder digital transformation because of overall obsolescence, their speed, capabilities and configurability, security, usability and/or their core function is no longer required [think a booking system hard coded for selling music by CD having to tackle the music streaming market]... select a vendor who has a vested commercial interest in the ongoing benefits of the new system.”*

**Nathan Marsh BSc, Econ (Hons), Director - Digital Transformation, ATKINS**

## Faster competition

It is now easier and cheaper to start a new business, meaning large incumbent companies have quickly found themselves competing for customers who now have more choice than ever before. While larger companies can – and do – respond to this competition, innovating can often take longer due to complex sign off procedures and business structures as well as process inertia.

Over the past decade the UK has seen an explosion in the number and variety of new start-up companies. The number of tech start-ups in the UK grew by 14% in 2018<sup>9</sup> alone and this influx of challenger companies has already had a significant impact. In recent years, relatively new companies have upended whole sectors by utilising technology to offer consumers a range of services that often prioritise ease and low cost. This shift in consumer habits has led to the rapid expansion of new business models.

### **The prominence of these new companies will only become greater in the future and the UK seems poised to play a significant role**

Often ranked highly for the strength of its entrepreneurial culture,<sup>10</sup> it is perhaps not surprising then that the UK is considered by many to be the European Capital for ‘unicorns’, start-up companies valued at \$1bn or more. There are 13 unicorn companies operating in the UK, with a combined value of \$23bn and making up 37% of unicorn companies across Europe.<sup>11</sup>

9. UK tech start-ups rise by 14 per cent, CITY AM, 2019

10. Digital Transformation Scorecard 2018, European Commission, 2018

11. The UK has been crowned the tech unicorn capital of Europe, CITY AM, 2018



## **No sector is immune from disruption**

New business models offer a particular source of disruption. The sharing economy for example, focused on peer to peer services has produced some of the most well-known challenger brands in the world from sectors such as transport to hospitality. By 2025 transactions in this space are estimated to reach £140bn.<sup>12</sup> Regulatory changes such as Open Banking have also created space for new challengers.

## **Stronger, but also more visible**

With the increased adoption of technology also comes the increased risk of sensitive company insights and customer data being targeted by cyber-attack. Large businesses are often among the most well-established and recognisable brands in the world. This high profile can create a target, with cyber criminals attacking those organisations where they know large amounts of data are stored with phishing emails, ransomware and spyware. Reports of attacks on large businesses are more than 25% higher when compared to the entire business community.<sup>13</sup>

Any new digital transformation project must therefore carefully consider cyber risks, which may place additional costs on large firms.

## **Comprehensive cyber-security plans are expensive**

In order to truly benefit from advances in technology and trade globally long term, large businesses must ensure that any transformation plans are underpinned by a strong foundation of digital security.

Only 46% of FTSE 350<sup>14</sup> companies have a dedicated budget for their cyber-security strategy. Understandably there is often a question of where resources can best be spent. However, a security breach cost large firms on average £22,700 in 2019.<sup>15</sup>

12. UK's key sharing economy sectors could deliver £140 billion by 2025, PwC, 2016

13. Cyber Security Breaches 2019, Department for Digital, Culture, Media and Sport, 2019

14. FTSE 350 Cyber Governance Health Check, Department for Digital, Culture, Media and Sport, 2018

15. Cyber Security Breaches 2019, Department for Digital, Culture, Media and Sport, 2019

# The four fuels framework for transformation

---

## Spot and adopt what's already working

**The insights and experiences of other business leaders can help to manage digital transformation within your organisation.**

There is no need to re-invent the wheel. While there will be issues unique to your business many of the challenges faced by large companies when attempting to digitally transform are found throughout the business community. For the UK to be successful, more businesses need to take lessons from companies who are already successfully transforming.

**Be prepared to disrupt standard operating models and established processes**



## The four fuels

Despite the challenges, many examples of good practice already exist within large corporates. Through interviews with senior business leaders, we have identified four 'fuels' large companies must harness to drive digital transformation within their organisations to truly become bigger, faster and stronger.



### Take a bird's eye view

Digital transformation is not an IT project, it requires company-wide change. Leaders need to take a strategic view of their business: the whole board must share the company's digital vision, commit to addressing the risks, share learnings across departments and be strong advocates for change across the company.



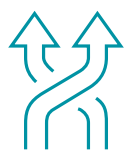
### People power

Changes to company process live or die by two things, trust and communication. Done well, your employees will become your biggest advocates and innovators, but when done badly, new ways of doing things will be ignored and investment will be wasted. Employees must feel empowered to come up with innovative solutions to issues and be equipped with the skills they need to engage fully in a transformation.



### Love your silos

Successful digital transformation should help bring down the barriers between the silos that exist within large companies. But silos are a reality of any large business. During your transformation journey, when connected and aligned around the customer or end user, silos can be used as a strength, acting as test beds for innovation.



### Automatic upgrade

Digital transformation is a marathon – but to keep up with the competitors it needs to be run at sprint speed. Due to their size, large companies can lack the operational agility of smaller companies. Digital transformation should build in processes and technologies that allow for continual improvements and upgrades.

## Structure your digital transformation with design thinking

While structured innovation may seem like an oxymoron, a design thinking approach will allow your company to collaborate in a way that promotes creative thinking while ensuring all efforts work towards a common goal.

This report uses a design framework of **'Plan, Prepare, Test and Execute'** to identify which of the four fuels will be most appropriate at each stage of a transformation process. While the terminology of other models may vary, the principle remains the same.

A design led framework, such as the Framework for Innovation developed by the Design Council, steers participants through the design process, underpinned by key phases, methods and principles. These clear phases help people to identify the root cause of challenges and deliver high-impact people centred solutions that address the right problem.

- **Discover** – collaborative exploration of a question or challenge, involving a broad range of perspectives to uncover fresh insights, increasing the likelihood of uncovering hidden problems.
- **Define** – a filter stage enabling definition of early ideas and opportunities. The goal at this stage is to articulate the problem and the opportunity so they can be taken forward to development.
- **Develop** – further development of ideas or concepts, often involving multi-disciplinary teams and stakeholders, that could deliver transformational results.
- **Deliver** – focused on ensuring the resulting project is taken through final testing, approval and is ready to launch, with any issues undergoing further testing, and evaluation and feedback indicators put in place.

The iterative cycles of 'think, test and learn' activities at each stage helps improve the viability of the concepts and manage risk; and do so in a way that allows you to accelerate your thinking and quickly generate numerous user focused insights and ideas that can be easily prioritised and further developed.



Use of design methods across all project stages are instrumental in engaging stakeholders in the process and enable teams to consistently adopt, embed, and sustain innovation to address their challenges. The Framework for Innovation has the Design Council's Double Diamond, an internationally recognised design process, at its core and a portfolio of design methods which help people to:

- **Explore** challenges, needs and opportunities
- **Shape** prototypes, insights and visions
- **Build** ideas, plans and expertise

This approach enables people to think differently about the business challenges they are seeking to address, putting people first to ensure employees come on the journey with you and developing solutions that work for you and your clients, ultimately supporting your business on the path to innovation<sup>16</sup> and greater productivity.<sup>17</sup> Evaluation of Design Council work supporting businesses has shown that for every £1 businesses invested in design, they received more than £20 in increased revenues, more than £4 increase in net operating profit and more than £5 in increased exports. Businesses also reported boosts to confidence, strategic thinking, brand and business identity.<sup>18</sup>










**Sarah Weir OBE, CEO, Design Council**

16. Design Economy, Design Council, 2018

17. Designing a future Economy, Design Council, 2017

18. Design Council Support and Business Survival and Growth, Design Council, 2018

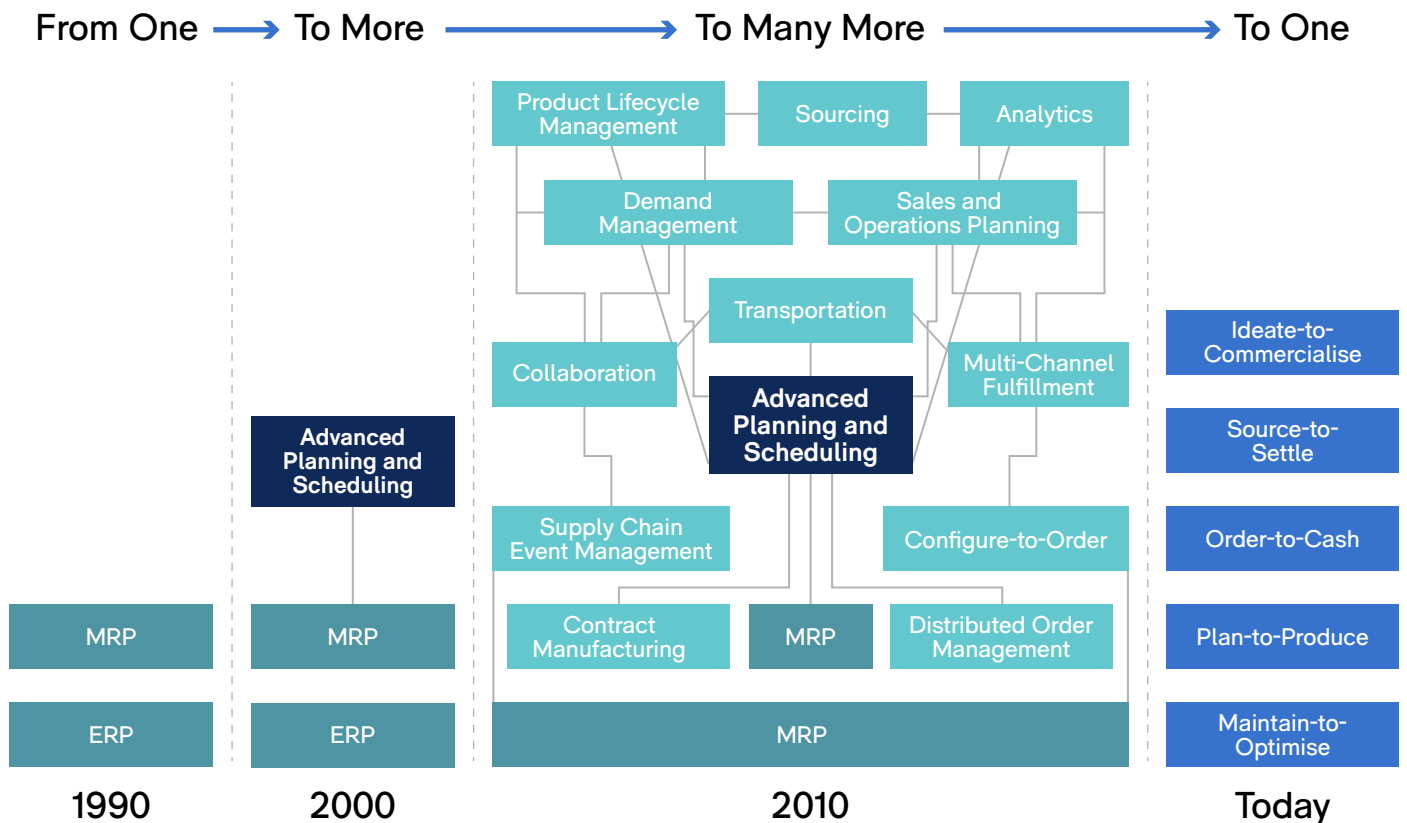
**Exhibit 1** Engaging the fuels at different stages of the design framework will help to drive transformation and embed a continued culture of innovation

	Plan:	Prepare:	Test:	Execute:
A bird's eye view				
People Power			-	-
Love your Silos:	-	-		-
Automatic Upgrade	-		-	

# Stage 1: Plan

Before starting the digital transformation journey, a company must clearly define the problem it wishes to solve, or goal it wants to achieve, and develop a vision for change. Without clear sight of the issues that need to be addressed, companies can end up chasing after 'the next big thing' in technology and not investing in what is really needed to be more productive.

**Exhibit 2** The complexity of these interconnected systems has increased over time. Ultimately successful digital transformation should allow you to simplify these processes



## Key questions before embarking on digital transformation:

- Is my business more focused on delivering for customers or selling in a traditional way?
- What are the areas where the business is already doing well?
- Can this be easily replicated?
- Will any transformation plans impact this performance?
- Which areas of the business are most in need of change?
- Will my suppliers be able to adapt? Do they need support too?



## Bird's eye view

---

### **Start with a clear vision for where you want to go based on knowledge of where you are now**

Any successful change project requires a clear view of where your business is coming from and a vision for where you want to go next. Both are critical tools to engage the board, middle managers, and employees.

To achieve this, a clear assessment of the company's current performance is needed, based on a mix of data and employee insight.

Company data can provide granular insights into the workings of the business, while conversations with managers, colleagues, customers and suppliers are key to understanding aspects of current working process or the wider market that should be taken into account. Look for patterns and test this against the data. The combination of these two approaches means that any digital transformation project can be used not only to achieve a specific business goal but also to improve the working practices of employees.

Once you have the lay of the land, a shared view of what success looks like is critical. This means developing a compelling vision backed up with clear Key Performance Indicators (KPIs). Internal or external developments may mean that things shift but with the right framework in place a company should be able to quickly reassess and turn their focus in the required direction.





# People power

---

## Help your people to be advocates for change

The CBI's recent report *Great Job* highlights that businesses with a shared sense of purpose are more likely to engage their people. As you plan for change, as well as engaging your people as you develop an understanding of the challenge your business is facing, you must ensure a sense of positive purpose is developed and retained for all employees.

This means being mindful that change can produce three employee types: advocates, adopters, and agitators



### Advocates

Digital ninjas, transformation champions... companies have used various names for it, but these are employees who show a real desire to learn or demonstrate an aptitude for working with new technology. Executives should draw on this enthusiasm. Make these employees the bridge between the implementors and the end users to help drive adoption and translate technological changes into language all colleagues will understand.



### Adopters

This is where the majority of employees will sit. Adopters will accept the changes but the main challenge for business leaders will be keeping them engaged throughout the process. Adopt a culture of continual learning within your organisation. Listen, learn and adapt based on the feedback of employees. Just as any company would make changes based on the comments of customers, the same must be done with employees. Gamification is a good way of promoting sustained engagement. Celebrate the successes of teams and individuals that are using new systems of processes well.



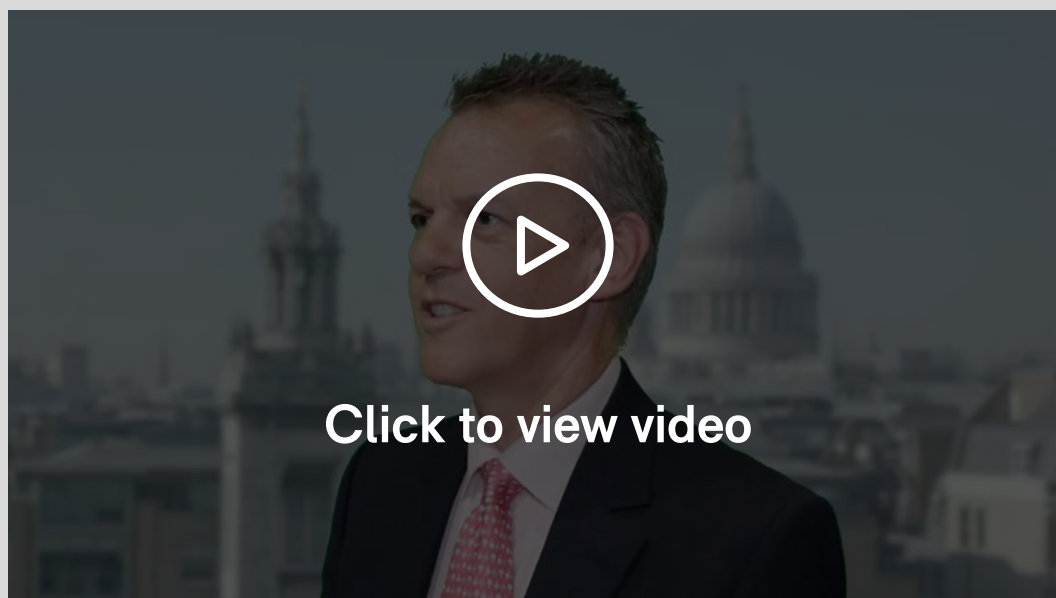
### Agitators

These are employees that actively push back against change. If this is not addressed, these employees can sap the energy from a project. Think about how you can promote rewards for successful adopters and put in place a system for concerns about changes to be communicated through managers. Plan to build the transformation into personal objectives to highlight their importance.

## Video Case Study

Jeff Phipps, Managing Director, ADP

By focusing on their process rather than technology, ADP have used this insight to ensure digital transformation targets the right areas of the business.



View the video at: [www.cbi.org.uk/bfs-adp](http://www.cbi.org.uk/bfs-adp)

# Stage 2: Prepare

Once a business decides to go ahead with a transformation project, senior decision makers must ensure they have the skills and structural resilience needed to implement change.

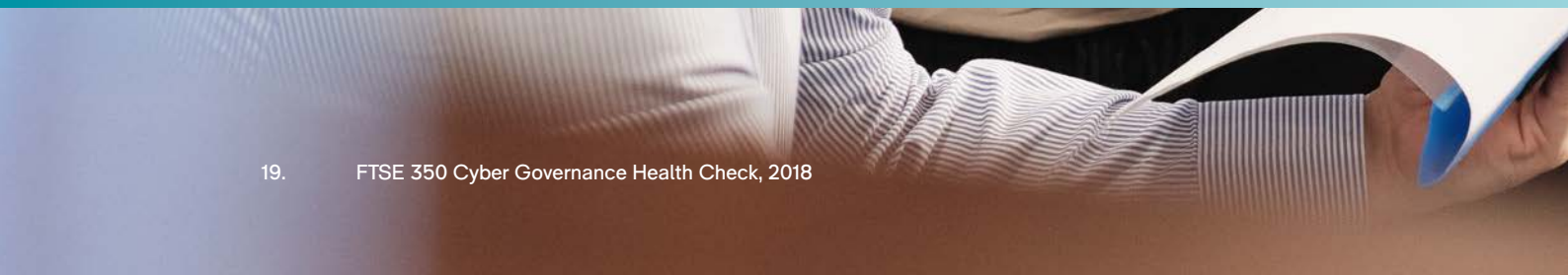


## 95%

95% of FTSE 350 businesses have an incident response plan...

## 57%

... but only 57% reported that they test their crisis incident response plans on a regular basis.<sup>19</sup>





## Bird's eye view

---

### **The board must build in digital resilience from the start**

Cyber-attacks are a reality of the modern business landscape and larger businesses are more vulnerable to cyber-attack than their smaller counterparts. This means embedding cyber resilience from the outset of a digital transformation project, which may create new vulnerabilities, is imperative.

Cyber-security for digital transformation should be a board level issue. Senior executives who are engaged in this issue can help to drive best practice throughout the organisation. Positively, an appreciation of the threat cyber-attacks can pose has risen among the UK's largest businesses, amid increasing understanding of the assets and systems at risk from cyber-attacks. However, the evidence shows that within large organisations there is still a gap between knowledge and action.

New transformation projects are a good way of identifying existing security risks. Time and capital should be set aside to develop and test security plans from day one.

### **How the board can talk about cyber-security**

The National Cyber Security Centre (NCSC) was launched by government in 2016 to improve UK cyber-security and resilience, including providing companies with cyber-security advice and threat intelligence.

The NCSC has worked with businesses to create a free toolkit for boards and business leaders to demystify cyber-security. The toolkit, launched at the CBI's cyber conference, includes five key questions for boards to consider.

1. How do we defend our organisation against phishing attacks?
2. How does our organisation control the use of privileged IT accounts?
3. How do we ensure that our software and devices are up to date?
4. How do we make sure our partners and suppliers protect the information we share with them?
5. What authentication methods are used to control access to systems and data?

To read the full toolkit go to: [ncsc.gov.uk/collection/board-toolkit](https://ncsc.gov.uk/collection/board-toolkit)





## People power

---

### **Prepare your people plan: map out what skills you already have in the organisation, where you can develop your people, and where you will need to recruit**

Ultimately, people will deliver digital transformation, so companies will need to ensure they can access the technical skills they need. New technologies require new skills. As many companies seek to transform, these skills are in short supply. A recent CBI report found that 76% of large businesses are currently facing digital skills shortages,<sup>20</sup> from basic IT proficiencies to more complex skills such as coding. The report shows that addressing this should involve a combination of internal measures and external collaboration.

- **Internally, businesses should make digital skills a company-wide programme:**

Digital skills are often needed across the business and successful initiatives tend to involve representatives from across the organisation. Creating a Digital Skills Group or Innovation Council with representatives across the organisation can ensure that needs are met in a coordinated and cohesive way. Businesses have also flagged that early wins on retraining and enhancing digital skills can help support longer-term buy-in across both senior management and all the employees involved. Also, by opening the opportunity for anyone in the company to engage with a transformation project, senior decision makers may well reveal pockets of skills they were unaware of.

- **Remember, diversity is a catalyst for innovation:**

Several studies have shown a strong correlation between diversity, both in leadership and the wider workforce, and improved innovation.<sup>21</sup> This has allowed companies to grow their market share and make them more likely to move into new markets.<sup>22</sup> Drawing on a broad range of experiences, perspectives, and backgrounds will help to ensure outputs are accessible to as wide a range of employees and customers as possible, ultimately improving productivity or helping to stimulate revenue.

20. Delivering Skills for the New Economy, CBI, 2019

21. Do Pro-Diversity Policies Improve Corporate Innovation? Mayer, Warr, Portland State University, 2017

22. How Diversity Can Drive Innovation, Harvard Business Review, 2013

- **Businesses should also look to collaborate externally, for example with your supply chain, local SMEs or Local Enterprise Partnership (LEP).**

The businesses that have been most successful in addressing their digital skills needs often focus on local collaborations with SMEs or other larger companies to ensure that the next generation of local talent has the skills business are looking for. Most large businesses in the UK will be headquartered or have a regional office near to a university or tech hub and can tap into local knowledge.

## Rethink recruitment

Companies are rethinking how they attract talent and create desirable, attractive and inclusive workplaces. This can include:

- **Hackathons:**

Invite developers, software engineers and IT specialists to events where they can solve real business problems in a collaborative and social environment.

- **Digital open evenings:**

Give potential candidates the opportunity to try the systems and technology at your company. Use their insights to gauge the perception of your brand and the expectations of the incoming workforce.

- **Examine your process:**

Assess your practices throughout every step of the process, from the language in the job description to the makeup of assessment groups and interviews. By ensuring a diverse representation in your marketing material and targeting groups underrepresented in your organisation you can draw from as wide a pool of talent as possible.

- **Social media campaigns:**

Ensure your recruitment is attracting an audience. Social media is a particularly good tool for communicating a company's core values, which CBI members said is increasingly proving the deciding factor for many potential recruits.

- **Redesigned workspaces to promote agile working:**

Create dedicated spaces where employees can collaborate and encourage staff to use them. Whiteboards, coffee machines and beanbags may seem superfluous to some, but this environment away from the normal working pattern will not only help to drive innovative thinking but also acts as a powerful marketing tool.



# Automatic upgrade

---

## **Pick project management methods that will help you stay ahead in a digital world.**

Deciding on the right method to manage resources and achieve your goal is a key part of the planning process. Members said that they are increasingly moving away from traditional 'waterfall' methods, wherein tasks and outcomes move sequentially through a series of departments over a set period of time. The market is changing rapidly and single projects that span a year or multiple years risk becoming obsolete by the time they are delivered. It is for this reason that many large companies are moving towards more agile, sprint ways of working. This method focuses on creating collaborative teams from across departments working on short, iterative projects to help speed up the delivery of the final product/transformation.

### **Members highlighted several benefits of this way of working:**

- **Faster learning:**

The iterative nature of agile working means that the businesses can quickly test outcomes without having to wait until the end of a project's lifespan. This allows businesses to respond to any changing circumstances in the market and ensure any deliverables have undergone continued scrutiny from representatives across the company.

- **Unlocking new collaborations:**

Agile working allows for collaboration between employees that would often not have the chance to interact. Technology means that individuals from different teams around the country can collaborate extensively without being in the same room. Regional differences can also offer another angle of approach to a project and draw out insights that may not have occurred from a team drawn from one area.

- **Total costs are shared:**

Without a whole company approach, the financial cost of a project can become the burden of one department, which may act as a block on innovation. Making departments equal partners in delivering a product not only helps to secure the broad input needed but also disperses the budgetary obligations.

- **Oversight and awareness:**

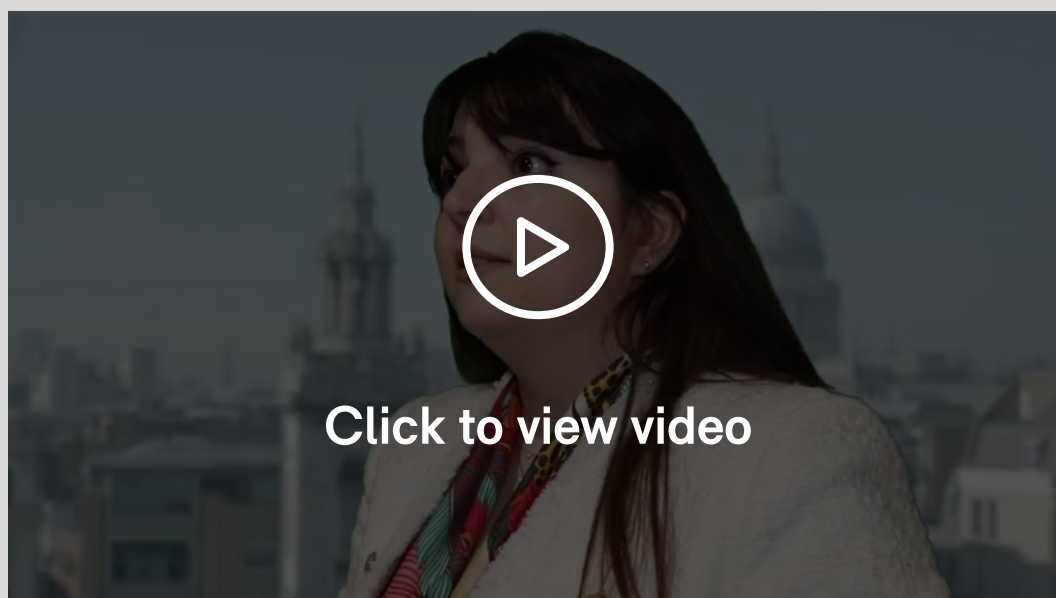
In more traditional modes of working, projects would often sit within departments for months while contributions were made. This prevented a business-wide view of changes with any issues only becoming apparent far into the project plan or once the final deliverable was launched. Agile working allows for departments from across an organisation to have sight of project developments and to determine the best way they wish to engage. This transparency allows specialists in their area to highlight potential roadblocks sooner and prevent wasted resources.

Sprint methodology is, however, not a magic wand and there are some cases where the traditional models of working need to be applied. Members pointed to regulatory changes, such as the introduction of GDPR as an example where a waterfall approach is more appropriate. This is because significant changes to government legislation often unfold over time with a clear deadline for implementation.

## **Video Case Study**

Zoi Gioti, Head of Digital Transformation, Siemens

Siemens have used their in house skills resourcing platform '*Opportunity Makers*' to bring talent from across the company onto innovation projects.



View the video at: [www.cbi.org.uk/bfs-siemens](http://www.cbi.org.uk/bfs-siemens)



# Stage 3: Test

Failure is an important part of innovation, but only if you can learn from it. Before embedding any change across a large organisation, business leaders must see how this innovation fares under real world circumstances. The resources and departmental structure of many large organisations allow for companies to identify challenges quickly and work out the best way to move forward.



*At Vodafone, we think it is crucial that key senior stakeholders are involved in the testing phase of any new process, system or technology. We do this in a variety of ways, for example board members may attend agile squad ceremonies such as retrospectives or show & tell, or spend time with a squad for first-hand experience. A recent example of senior stakeholder involvement in testing is VeryMe, our new loyalty programme available exclusively through the MyVodafone App. Our senior leadership team participated in the friendly user trials and beta testing of this new proposition ahead of full launch to our customers. This provided the programme team with valuable feedback but also drove greater engagement from the leadership which helps them advocate VeryMe to internal and external audiences.*

**Neil Blagden, Chief Operating Officer, Vodafone**



## Love your silos

---

### **Work with a willing department to test new processes and technologies**

Whether delivering a new product to customers or working on an internal project, testing allows you to evaluate the security and usability of any innovation.

Companies with large departmental, market or geographical silos have a powerful asset when it comes to testing. The traditional departmental structures that many large organisations work in allow them to rigorously assess how the introduction of a particular software or new technology will impact day to day activities.

Just as some employees are more likely to be advocates for digital transformation than others, some departments will also be more willing to be testbeds for innovation. The goal is to identify these departments, support them to test new ideas, and create a buzz that other departments will want to copy.

But the key aim of any testing should be to help identify challenges and develop solutions to create a best practice model that can act as a broad template for implementation across the organisation. Doing this well requires:

- **Data collection:**

Collecting as much quantitative and qualitative data as possible at this point will help maximise the understanding of where improvements can be made.

- **Senior level oversight:**

Embedding senior decision makers within a team or department where the innovation is being tested can help to illustrate the positive impacts of transformation and support board engagement. By seeing how innovations could be used in a practical setting, senior executives can see first-hand any possible productivity benefits or hear directly from the employees using the technology.



## Bird's eye view

---

### **Share learnings from tests with the whole organisation, but be wary of one-size-fits-all roll out**

While testing in silos is an important first step, not all silos are the same. The impact of implementing the process in a central office in London will not be the same as more rural parts of the country or internationally. Cultural differences and variations in IT literacy all need to be considered. By taking these factors into account beforehand, business leaders can gain a better understanding of how their strategy for training and employee engagement may need to be adjusted.

Insights from the test phase can be used to create Frequently Asked Questions and employee guidelines which can be deployed before any transformation goes live. Transparency will help ensure a smooth roll out, but empowering and informing managers within different departments is a vital step to ensure real engagement with change. Our *Great Job* report showed that communication is most commonly cited by UK managers as the thing that would make the greatest difference to enable their business to improve its people practices.<sup>23</sup>

Finally, creating crystal clear avenues for feedback on new processes, and demonstrating that changes are made in response to employees' concerns is a good way to keep things moving forward, without disengaging colleagues.

23. Great Job: solving the productivity puzzle through the power of people, CBI, 2019

# Stage 4: Execute

Business leaders must not view the roll out of an innovation as the end of the transformation. It will take a long time for innovations to become embedded practice among employees, so senior decision makers must lead from the front and the company must monitor progress to ensure the transformation does not go off track.



## Bird's eye view

---

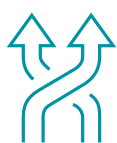
### Senior decision makers must lead from the front

Organisational transformations are four times more likely to succeed when leaders role model the desired changes.<sup>23</sup> But some leaders may underestimate the value of role modelling and regular communication. Regularly demonstrating or communicating change can be harder where leadership and management structures are more complex, so leaders must ensure they continually refer back to shared vision and KPIs.

Business leaders must be seen to be the greatest advocates for change to help drive engagement across the company. Members have used daily digital newsletters, monthly town hall style meetings and short video email campaigns to show the wider organisation that senior executives are also on the same transformation journey.

This must also go beyond the senior team. Managers from across the business should also be encouraged to share best practice and help others in their position. This enforces a single vision of change with all employees feeling as though they are driving the company forward.





# Automatic upgrade

## Keep a clear eye on progress towards your vision

As a digital transformation is rolled out, the vision and KPIs must be tracked and performance measured.

This means scheduling regular reviews to compare performance back against the initial plan and ensure the organisation is on track. These occasions should also be used as an opportunity to horizon scan for new developments, both within your sector and outside of it, and considering how to adapt your digital transformation accordingly.

## Cloud based tools can help build in updates and support performance monitoring:

Cloud technology can enable companies to efficiently store data across regions and between silos centrally providing real time evidence of progress and problems such as:

- How many employees have used the new system month on month?
- What sections of the business are outperforming others?
- What time of day are employees using a new system the most?
- How are customers responding?

This can be analysed and used to inform the next stage of transformation. Software as a Service (SaaS) systems now allow for any required upgrades to be made quickly and without the disruption a similar change may have caused in the past. This offers a solid foundation for the adoption of emerging innovations such as AI, blockchain and IoT. This reduces the risk of systems becoming redundant and provides businesses with a range of digital tools that respond to their immediate needs.

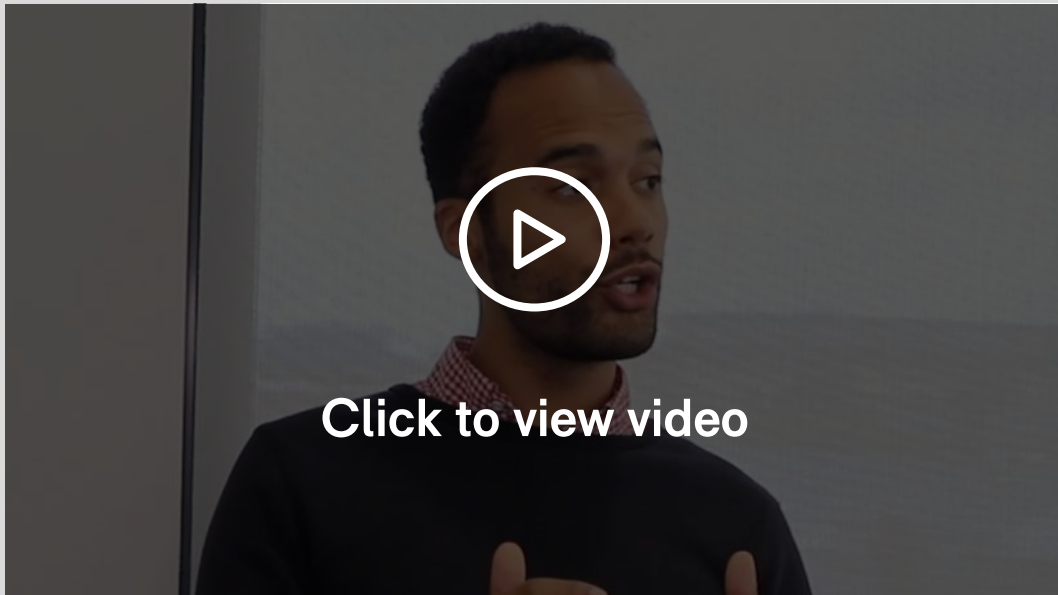
Future proofing a business does not always mean adopting the most cutting-edge technology, but it does mean having a process and technological structure in place that can absorb emerging technology innovations when needed.



## ▶ Video Case Study

James Down, Chief Strategy Officer, The Guardian Media Group

How do you keep employees engaged once a transformation plan has been executed? The Guardian Media Group have ensured the organisation's Objectives and Key Results (OKRs) are easily accessible to all staff. Employees, no matter their seniority have a regular opportunity to hear updates on changes across the company, direct from the teams implanting them.



View the video at: [www.cbi.org.uk/bfs-guardian](http://www.cbi.org.uk/bfs-guardian)

# Methodology

- We reviewed existing literature as well as UK and international case studies.
- We conducted interviews with 23 senior decision makers within large companies between November 2018 and February 2019.
- We ran a roundtable discussion between business leaders, government and trade associations.



## About the partner

### Oracle

Oracle Corporation: The Oracle Cloud offers a complete suite of integrated applications for sales, service, marketing, human resources, finance, supply chain and manufacturing, plus highly automated and secure generation 2 infrastructure featuring the Oracle autonomous database. For more information about Oracle (NYSE: ORCL), please visit us at [www.oracle.com](http://www.oracle.com).

Produced by Nathan Brown and the Innovation team



**Nathan Brown**  
Policy Adviser  
[nathan.brown@cbi.org.uk](mailto:nathan.brown@cbi.org.uk)