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**Systems**  
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# **Technology Fallacy**

Book Slide Collection



# **Digital Disruption:** the Future of the Organization is Now

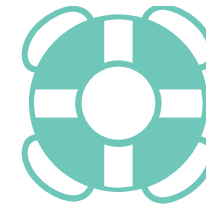


# The Knowing-Doing Gap



**87%**

of respondents believe digital technologies will disrupt their industry



**44%**

feel their organizations are adequately preparing for disruptions projected to occur in their industry due to digital trends

Most view as  
an opportunity,  
not a threat

*Perspectives on digital impact (Respondents who answered "Strongly agree" or "Agree")*

Percentage of respondents



# Are companies **holding themselves** back?

What is the **biggest threat** facing your company as a result of digital trends?

## TOP 3 RESPONSES

### **1** INTERNAL ISSUES

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Lack of agility, complacency,  
Inflexible culture, digital  
Not a priority

### **2** MARKET ENVIRONMENT

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Product obsolescence, lower  
barriers to entry, eroding  
competitive advantage

### **3** COMPETITIVE PRESSURE

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More intense competition,  
Faster competitors, new  
competitors

# Digital transformation is less about technology and much more about the organization

**2015**

Strategy, not technology drives digital transformation.



**2017**

Digitally maturing organizations put digital at the core of the business, cultivating an environment to support digital and becoming talent magnets.

**2016**

'Doing digital' is not enough. Organizations need to align their strategy, talent, and culture to become digital businesses.



**2018**

Learning and leadership models are evolving as companies digitally mature.

# 7 Years researching digital's business evolution

Undertaken by Deloitte Digital in collaboration with MIT Sloan Management Review (MIT SMR)

2011 - 2018



C-suite and other executives, subject matter specialists

**1/3 @ >\$1B**  
REVENUE



**161**  
COUNTRIES



**28**  
INDUSTRIES

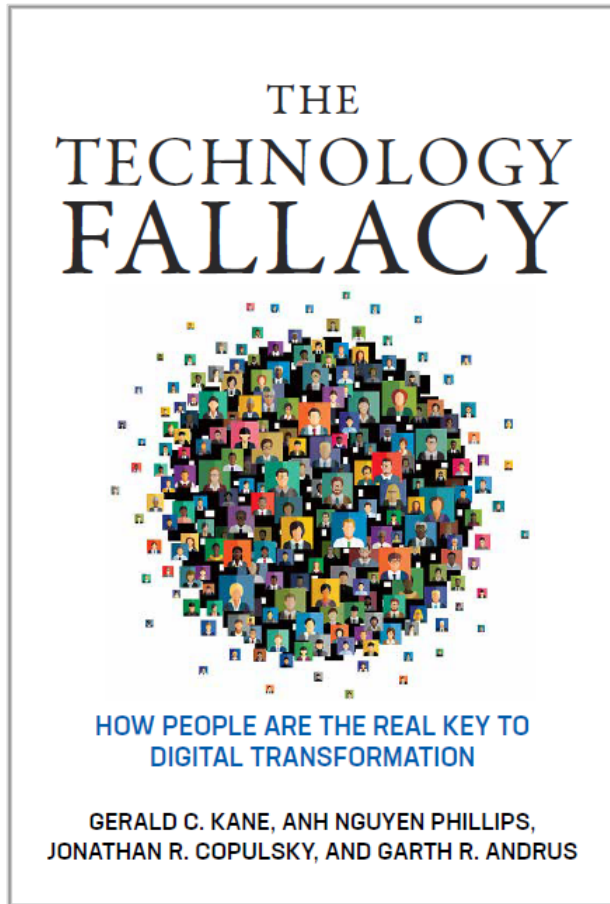


**40%**  
UNITED STATES



**60%**  
INTERNATIONAL

# Book available on Amazon!



**Part 1:** Navigating Digital Disruption

**Part 2:** Rethinking Leadership and Talent for a Digital Age

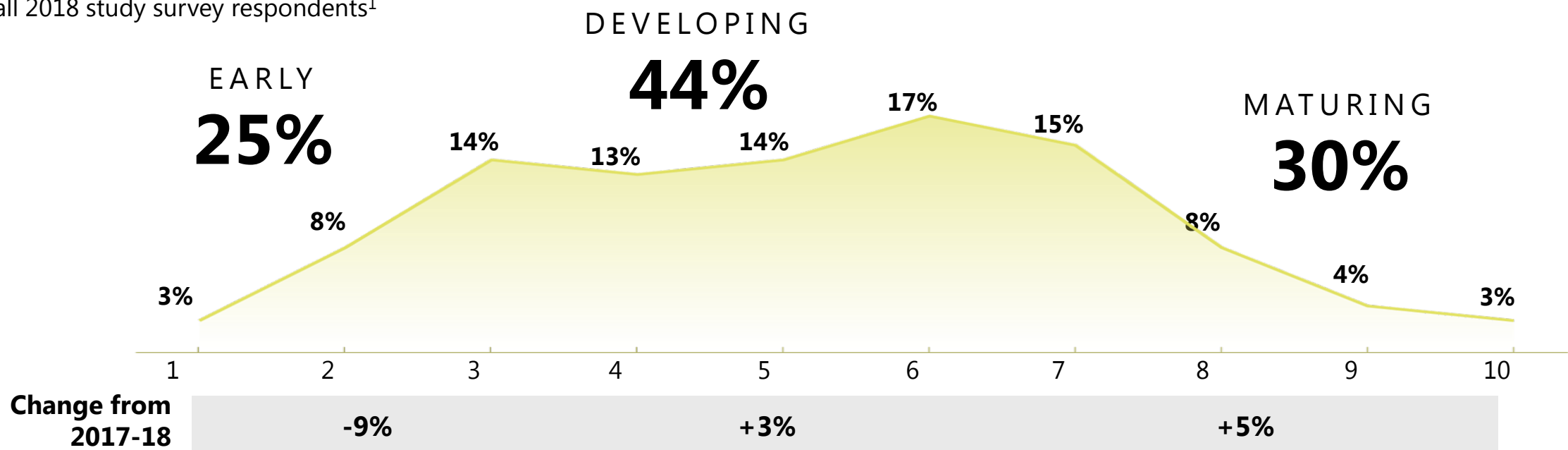
**Part 3:** Becoming a Digital Organization

# Only 30% of companies would rate themselves as digitally mature

Digital maturity is growing according to survey respondents<sup>2</sup>

## Current digital maturity

% all 2018 study survey respondents<sup>1</sup>

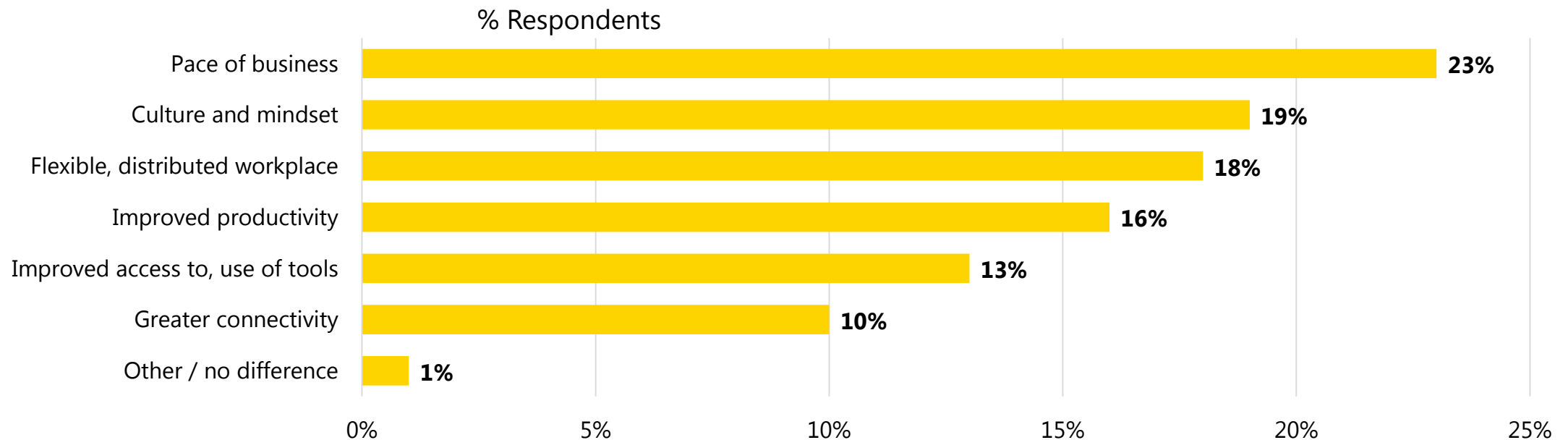


**Digital maturity is growing according to survey respondents<sup>2</sup>**

1. Respondents were asked to "Imagine an ideal organization utilizing digital technologies and capabilities to improve processes, engage talent across the organization, and drive new and value-generating business models. How close is your organization to that ideal?" (Answers on a 10 point scale where 10 is most mature). Numbers do not total 100 percent due to rounding.
2. 2017 data sourced from, "Achieving Digital Maturity," MIT Sloan Management Review and Deloitte University Press, July 2017.

# How is digital business different?

**What is the main difference between working in a digital environment vs a traditional one?**



## Open Text

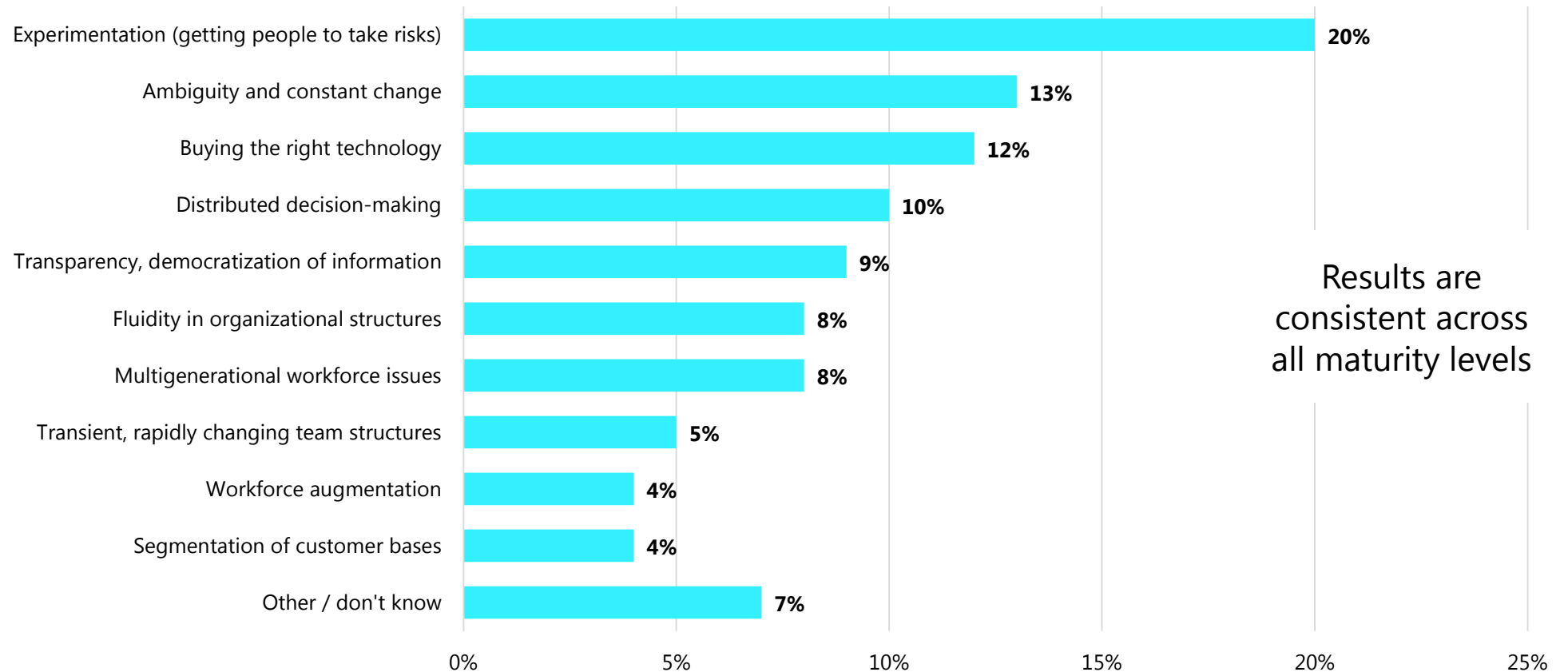
Respondents were free to enter whatever they wished. More than 3,300 responses were coded and categorized.

# ...but organizational challenges persist

Organizations are struggling to get their employees to take risks

## Biggest challenge impacting company's ability to compete in a digital environment

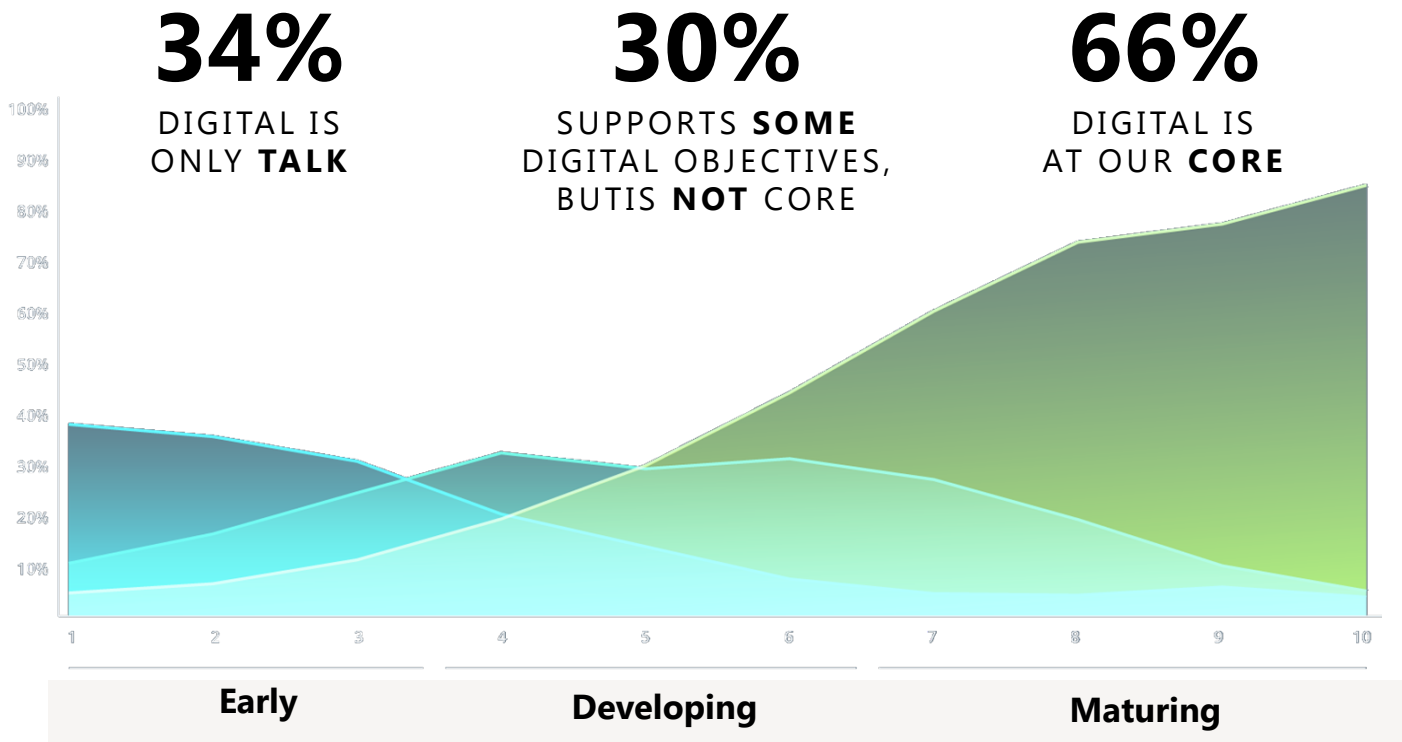
% Respondents

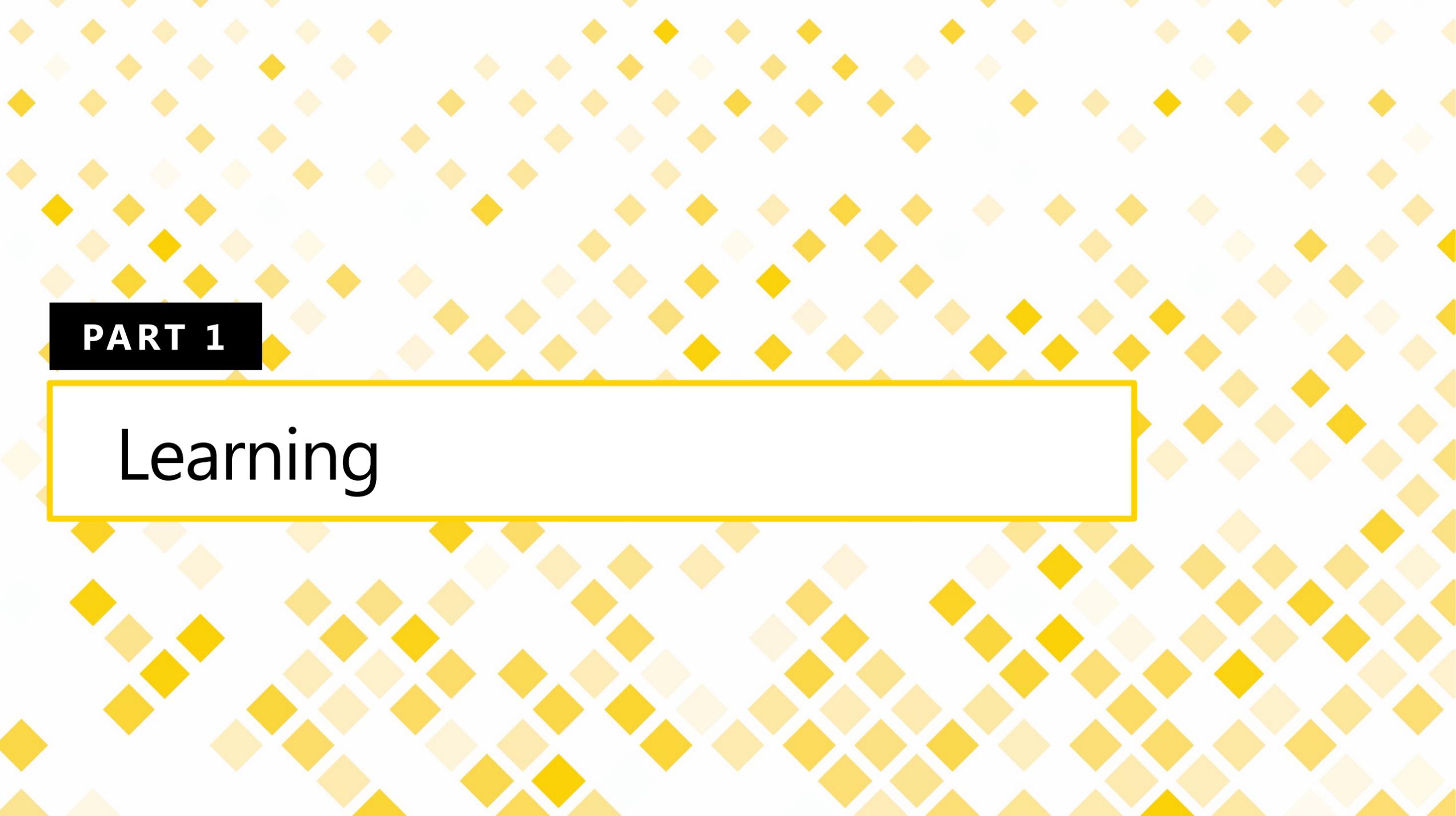


Results are  
consistent across  
all maturity levels

Digital business is at the core of maturing companies

The role of digital business is:  
(TOP RESPONSE)

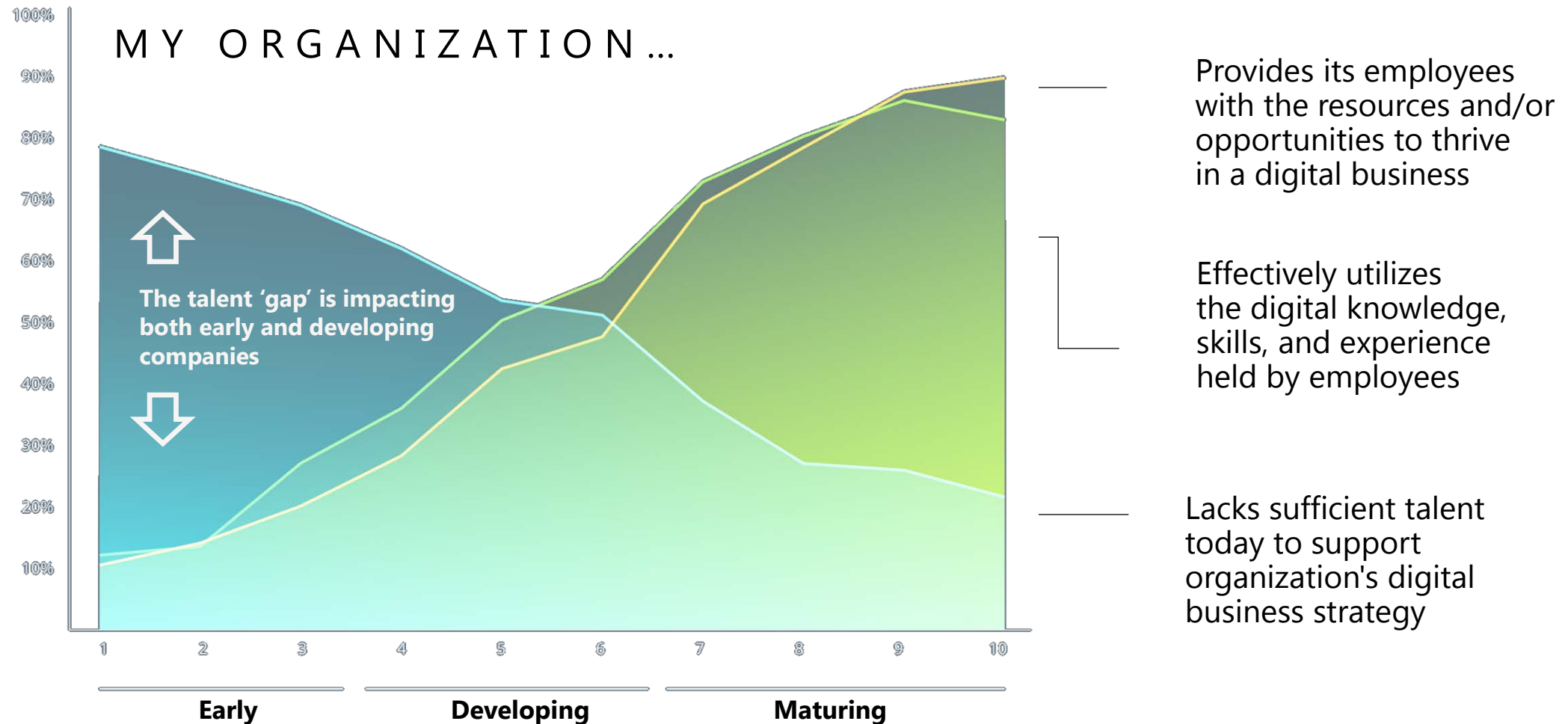




**PART 1**

# Learning

# Digitally maturing companies effectively **use** and **develop** their talent



# How learning happens needs to expand

**Most important opportunity your company provides you to develop in a digital environment**

(Top 3 responses shown here for *digitally maturing* companies)

**27%**

**On-the-job  
learning**

**26%**

**Training  
programs**

**16%**

**Supportive  
work  
environments**



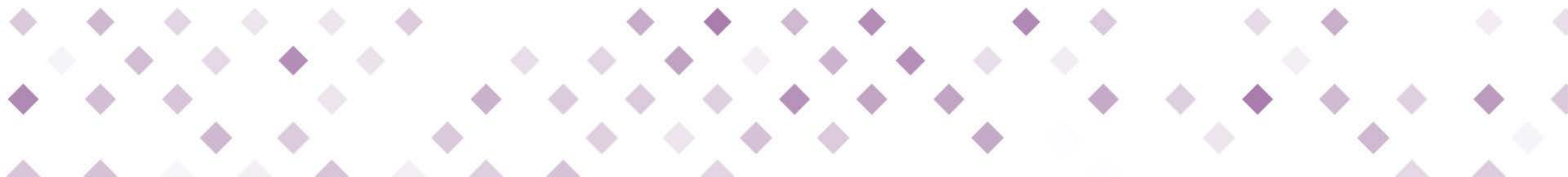
On-the-job training may be **more important** than traditional training programs.



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# Don't Just Train

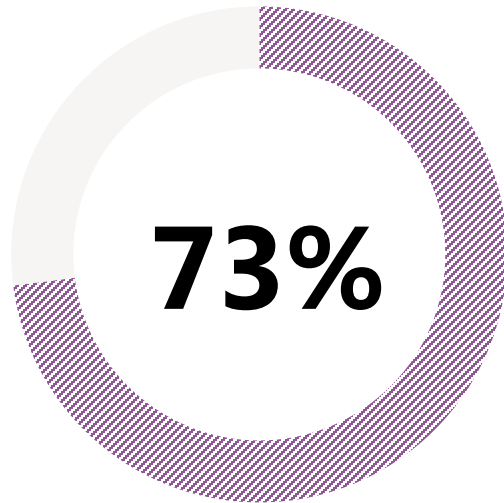
Create opportunities to learn. Develop skills by moving people around. "Tour of Duty Model" of employment.



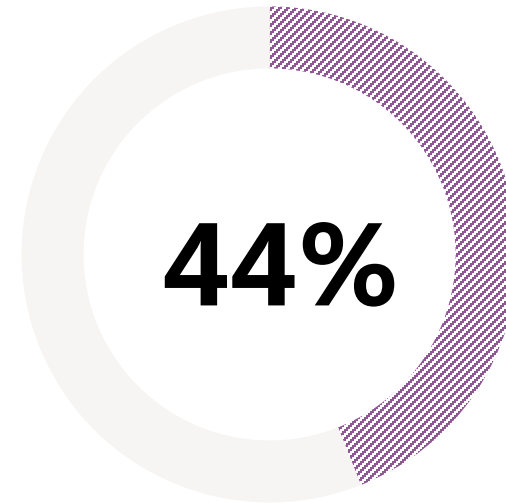
# Individuals are recognizing the need to learn

90% say they need to update their skills at least yearly.

**How often do you need to update your skills to work effectively in a digital environment?**



AT LEAST EVERY  
SIX MONTHS

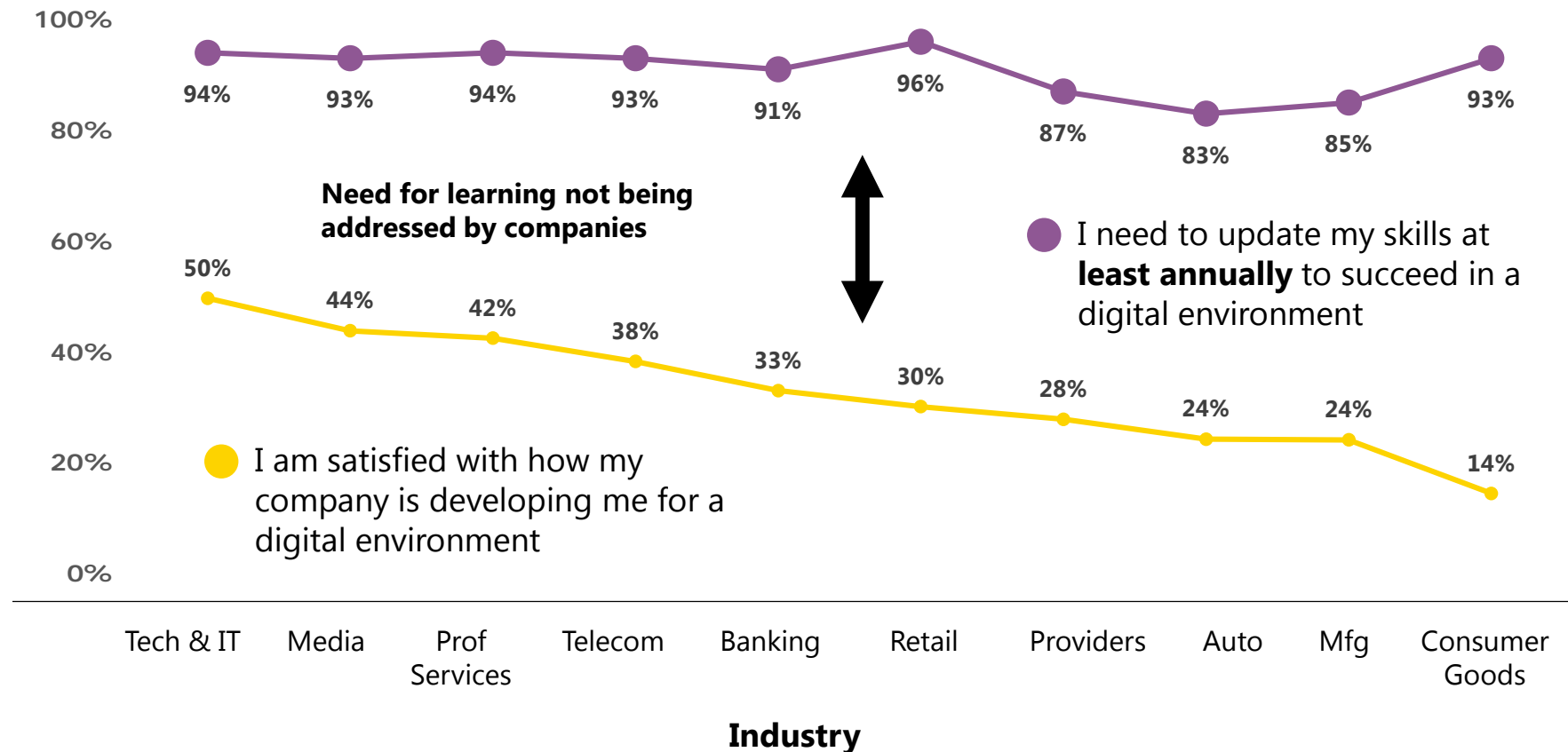


CONTINUOUSLY

# But employees are not satisfied with the learning opportunities they receive

## Learning and Development Gap

% Respondents

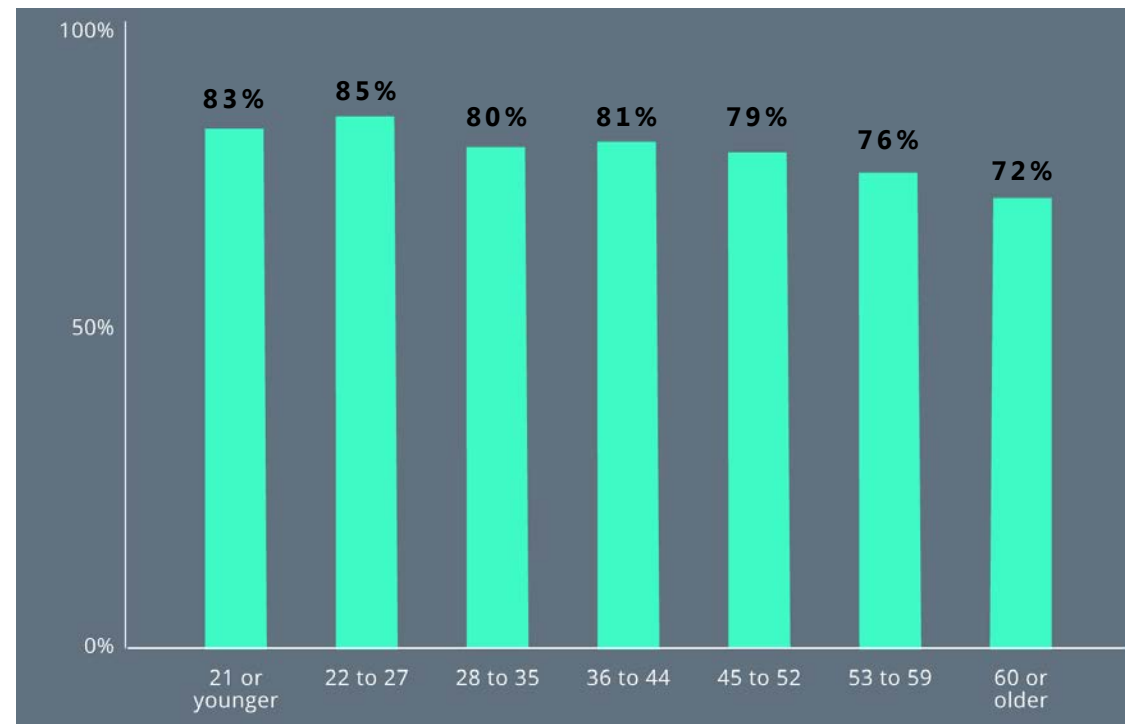


# How important to you is it to work for an organization that is **digitally enabled** or is a digital leader?

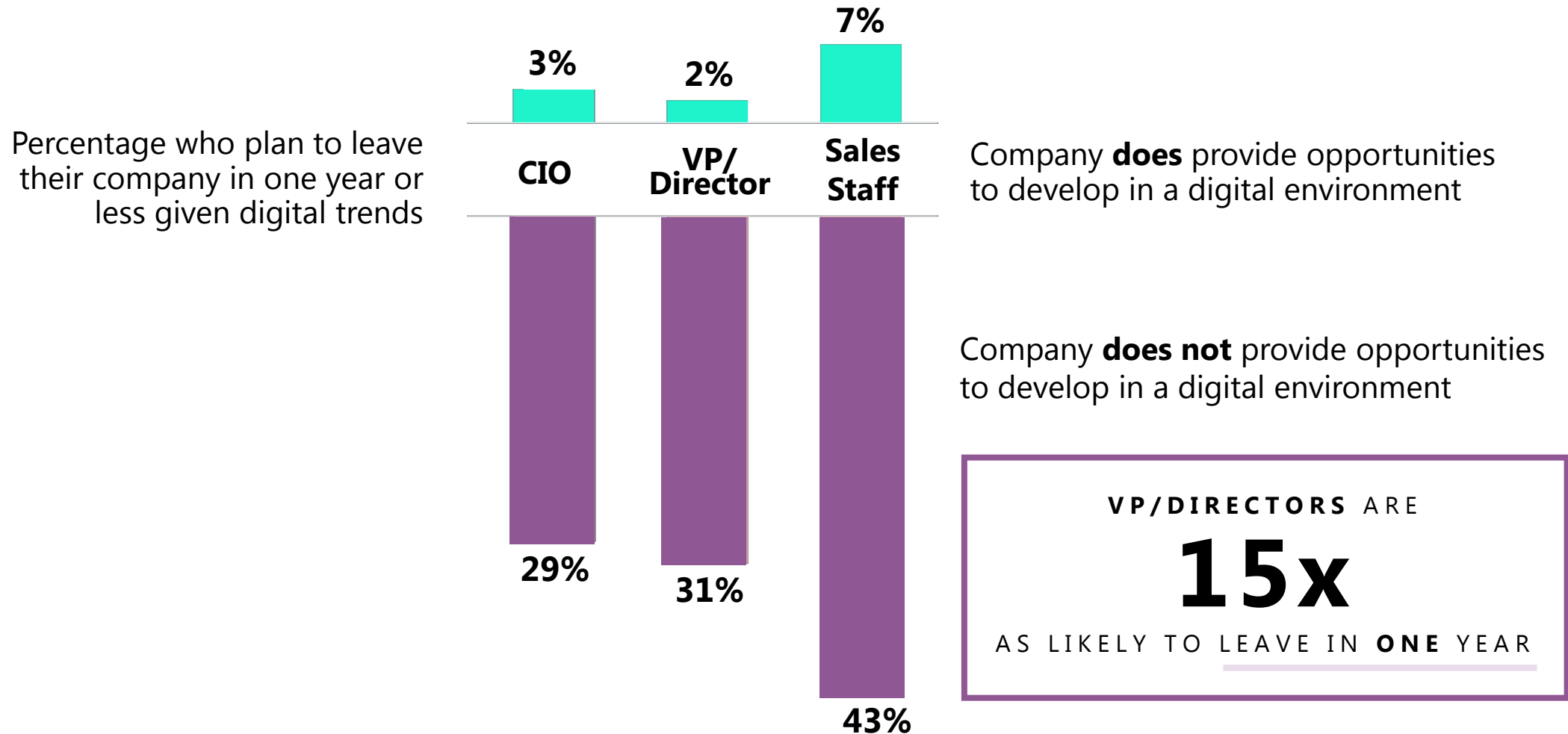
RESPONDENTS WHO ANSWERED STRONGLY AGREE OR "AGREE"

## It is not about millennials!

Employees of all ages want to work for digitally savvy businesses



# Lack of digital opportunities may increase attrition



People want to work for digitally maturing organizations

## TALENT NEEDS V. ABILITY TO ATTRACT



# Maturing and developing companies tend to **first look inside**, not out

How is your organization primarily strengthening digital innovation capabilities?

**SELECT ONE** (TOP 4 RESPONSES BY COMPANY MATURITY LEVEL)

	E A R L Y	D E V E L O P I N G	M A T U R I N G
1	Hire Contractors/ Consultants	<b>Develop Employees</b>	<b>Develop Employees</b>
2	Don't know	External Relationships	Recruit Digital Employees
3	External Relationships	Hire Contractors/ Consultants	External Relationships
4	<b>Develop Employees</b>	Recruit Digital Employees	Recruit Digital Leaders

The background of the slide is a repeating pattern of small, light purple diamonds arranged in a grid. Overlaid on this pattern is a solid black rectangle containing the text 'PART 2' in white, and a larger white rectangle with a thin purple border containing the word 'Leadership' in black.

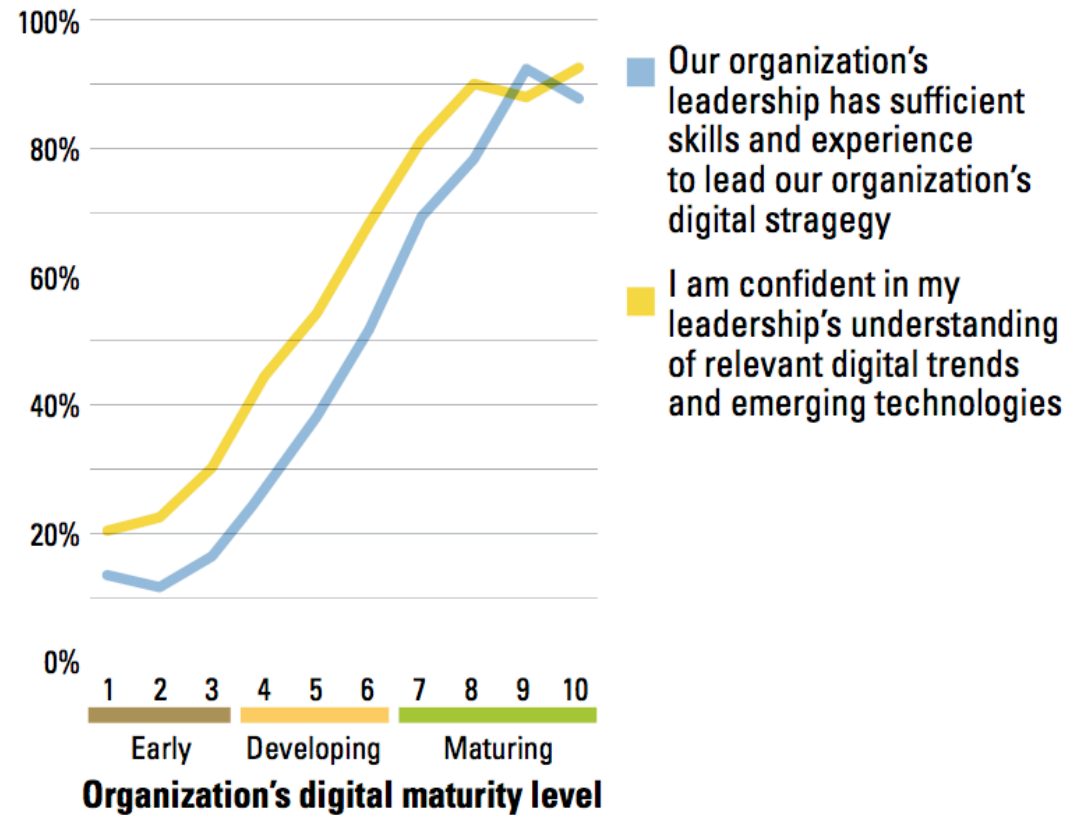
## PART 2

# Leadership

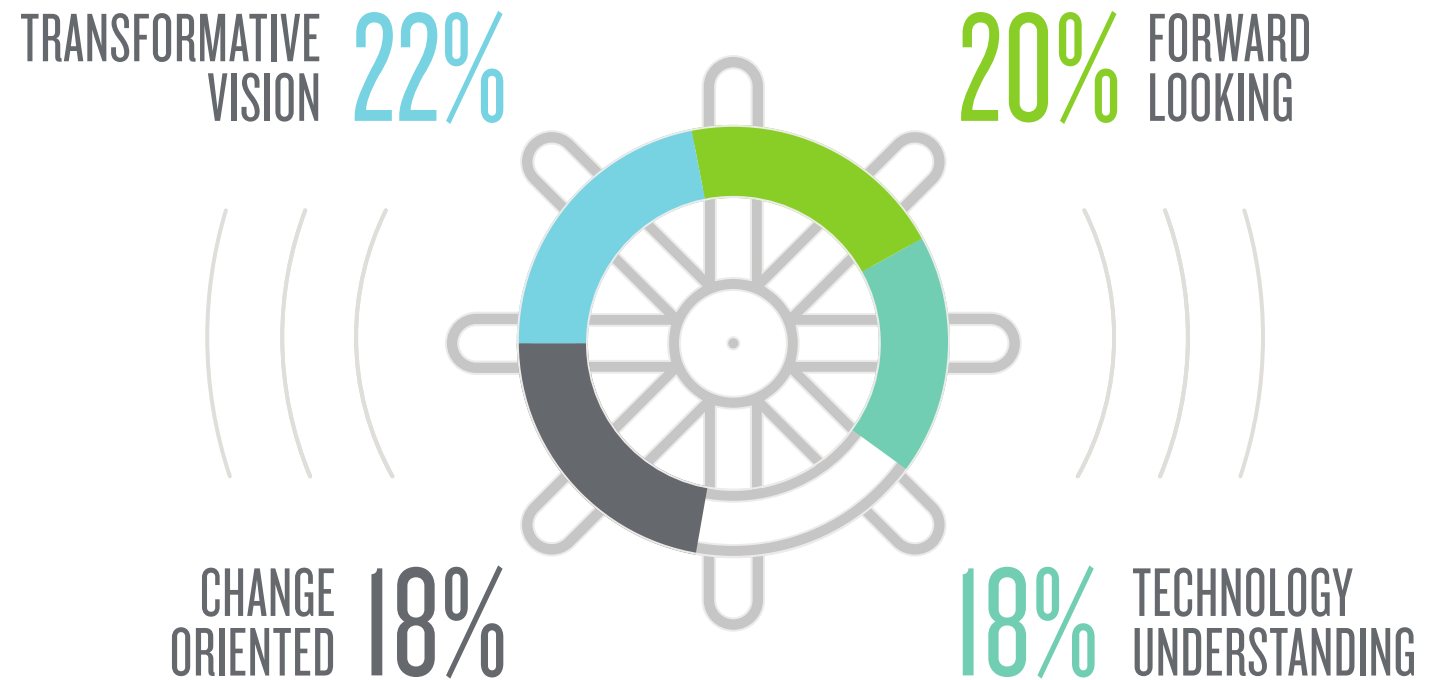
# Confidence in leadership associated with maturity and digital literacy

*Respondents' confidence in leadership (Respondents who answered "Strongly agree" or "Agree")*

Percentage of respondents



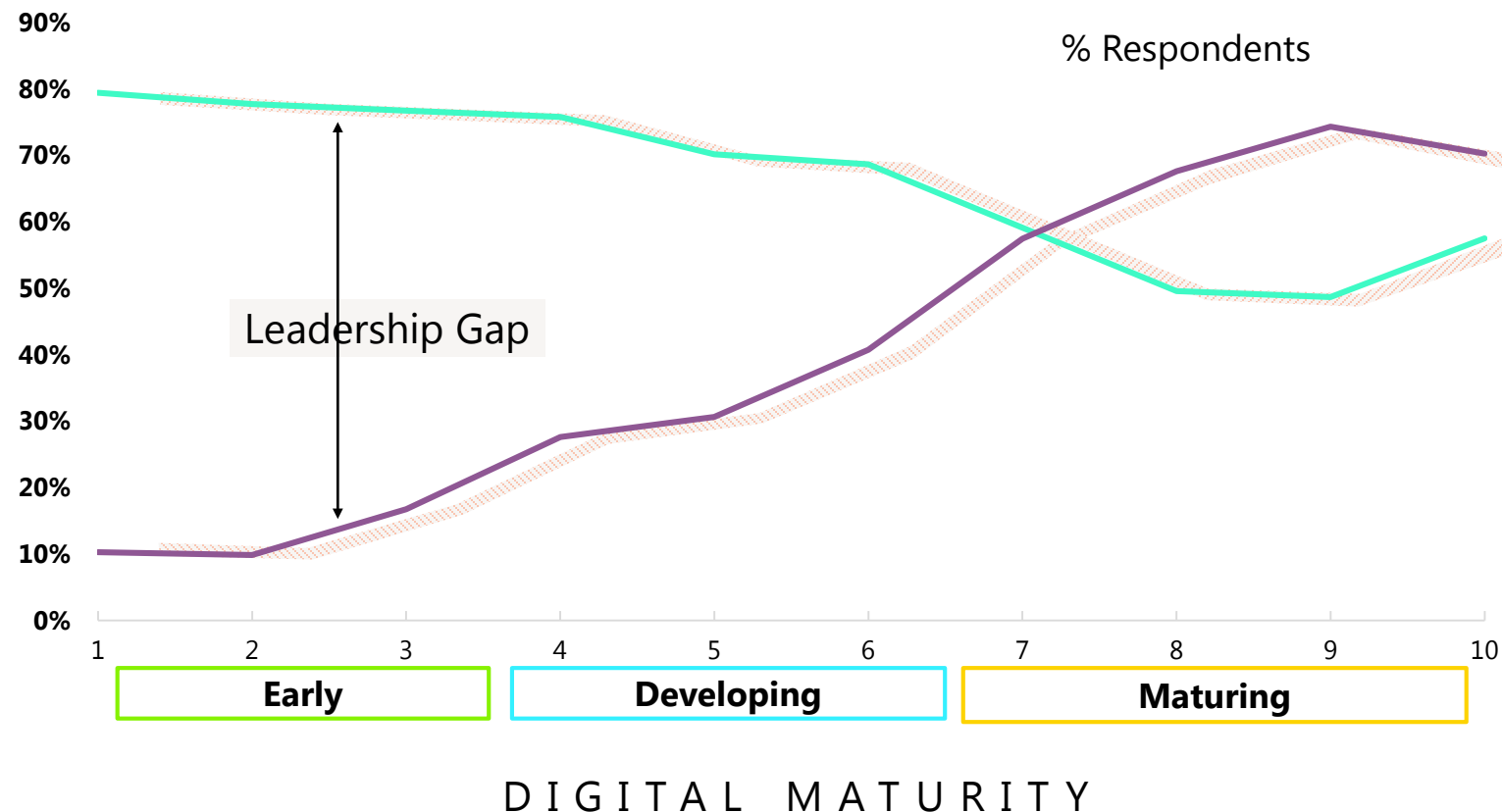
Regardless of maturity level, a range of leadership skills are valued



REGARDLESS OF MATURITY LEVEL, A RANGE OF SKILLS ARE VALUED

# All organizations need new leaders... the difference is what they're doing about it.

## Even maturing companies need new leaders



My organization is **effectively developing leaders** who have the capabilities necessary to lead the organization in a digital environment.  
(Strongly agree / agree)

My organization **needs to find new leaders** for the organization to succeed in the digital age.  
(Strongly agree / agree)

# Strategy: Who Is Leading Digital Progress?

Which functional areas are primarily leading your organization's digital progress?

Early		Developing		Maturing	
Information Technology	23%	CEO's Office	31%	CEO's Office	41%
CEO's Office	22%	Information Technology	20%	Information Technology	16%
Marketing	10%	Marketing	9%	Marketing	7%
Operations	7%	Operations	7%	Product Development	7%

Percentages reflect those respondents ranking the choice as No. 1.

“

Strategy time frames greater than 10 years  
may be needed in a digital environment

”

- JOHN HAGEL, CO-CHAIRMAN OF THE CENTER FOR THE EDGE,  
DELOITTE CONSULTING LLP

## To Have Vision, You Have to Look:

Many Silicon Valley companies follow a  
Zoom Out & Zoom In approach

—

### Zoom Out

Consider a 10+ year time  
horizon by defining what  
the market will likely look  
like and what customers will  
expect.

+

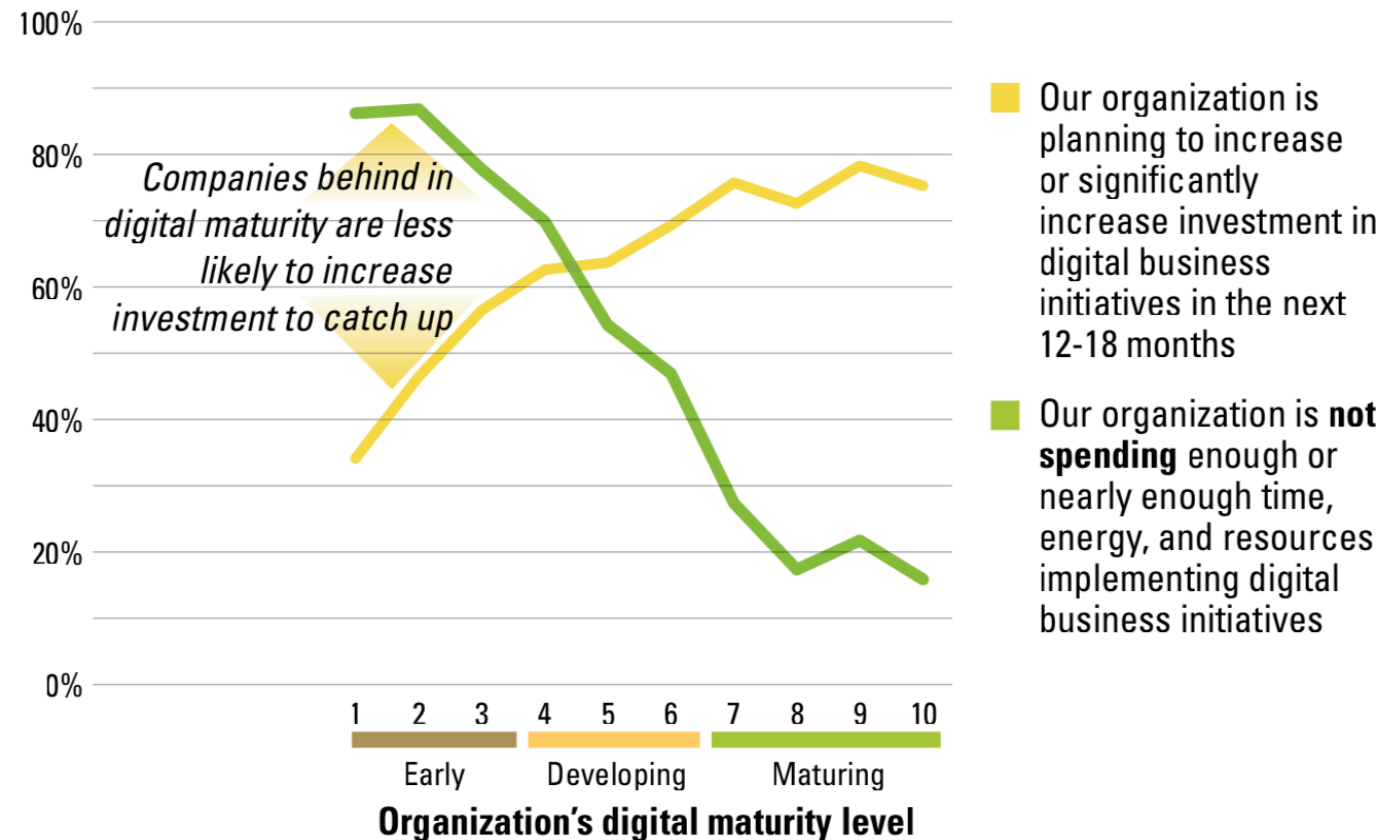
### Zoom In

Address the next six to twelve  
months and identify the two or  
three business initiatives  
that will have the greatest  
potential to accelerate  
movement toward the longer-  
term destination.

Put your money  
(and time, and  
resources) where  
your mouth is

## Digital investment plans: Are early-stage companies committed to catching up?

Percentage of respondents

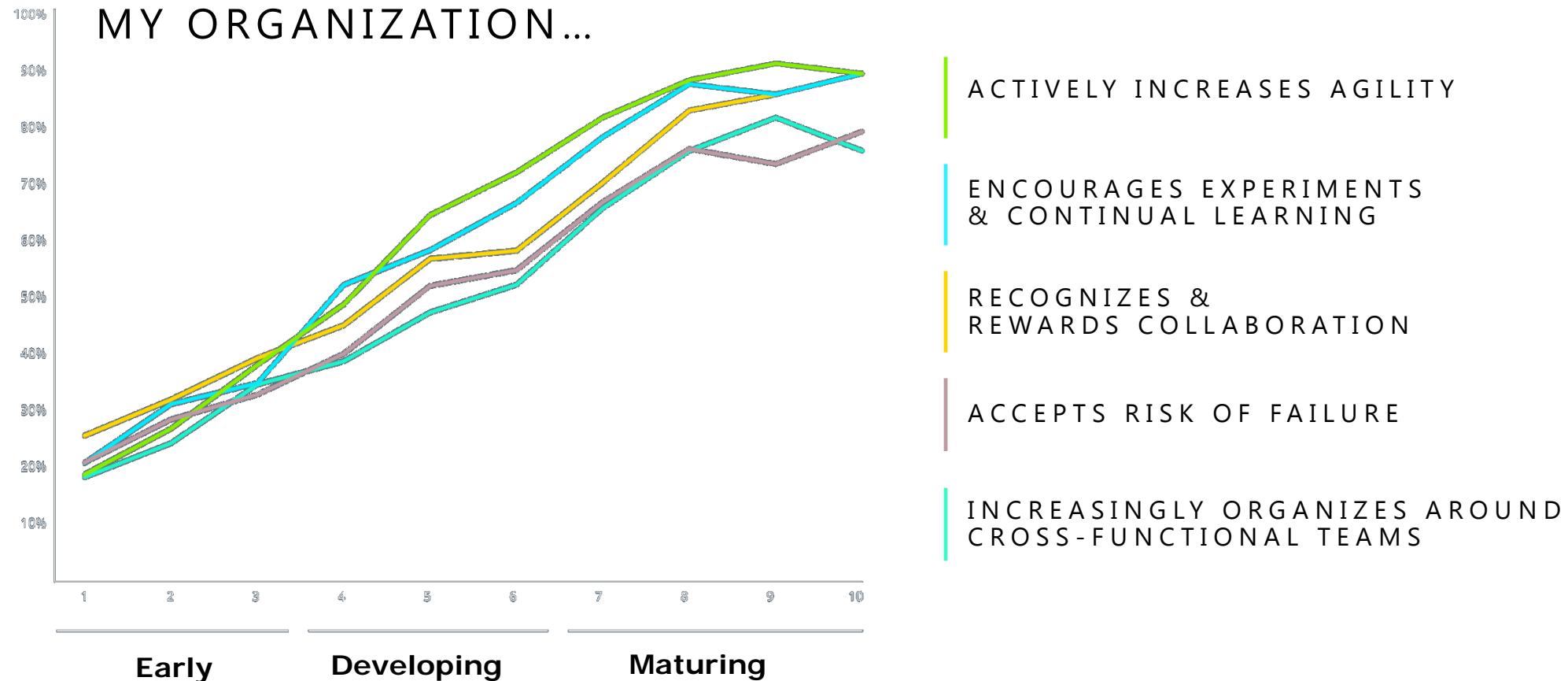




**PART 3**

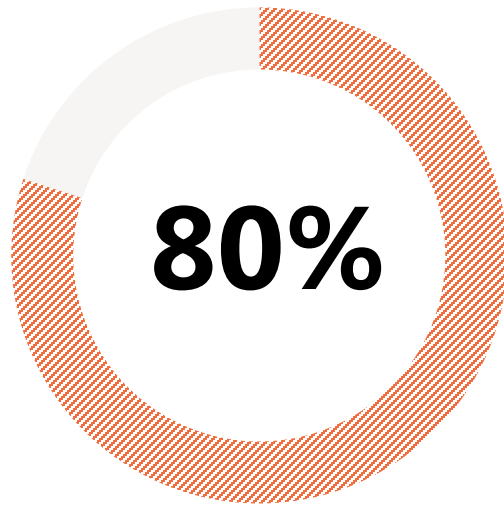
# Transforming Legacy Organizations

# 1. Digitally maturing organizations have a distinct culture

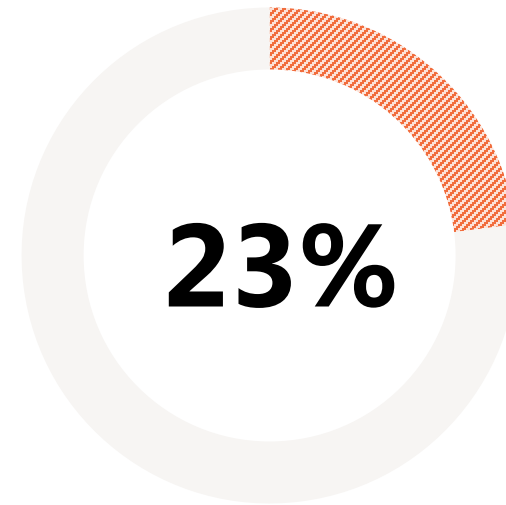


## 2. Digital culture is intentional

Percentage of organizations who are actively implementing initiatives to strengthen their culture by bolstering risk-taking, agility, and collaboration



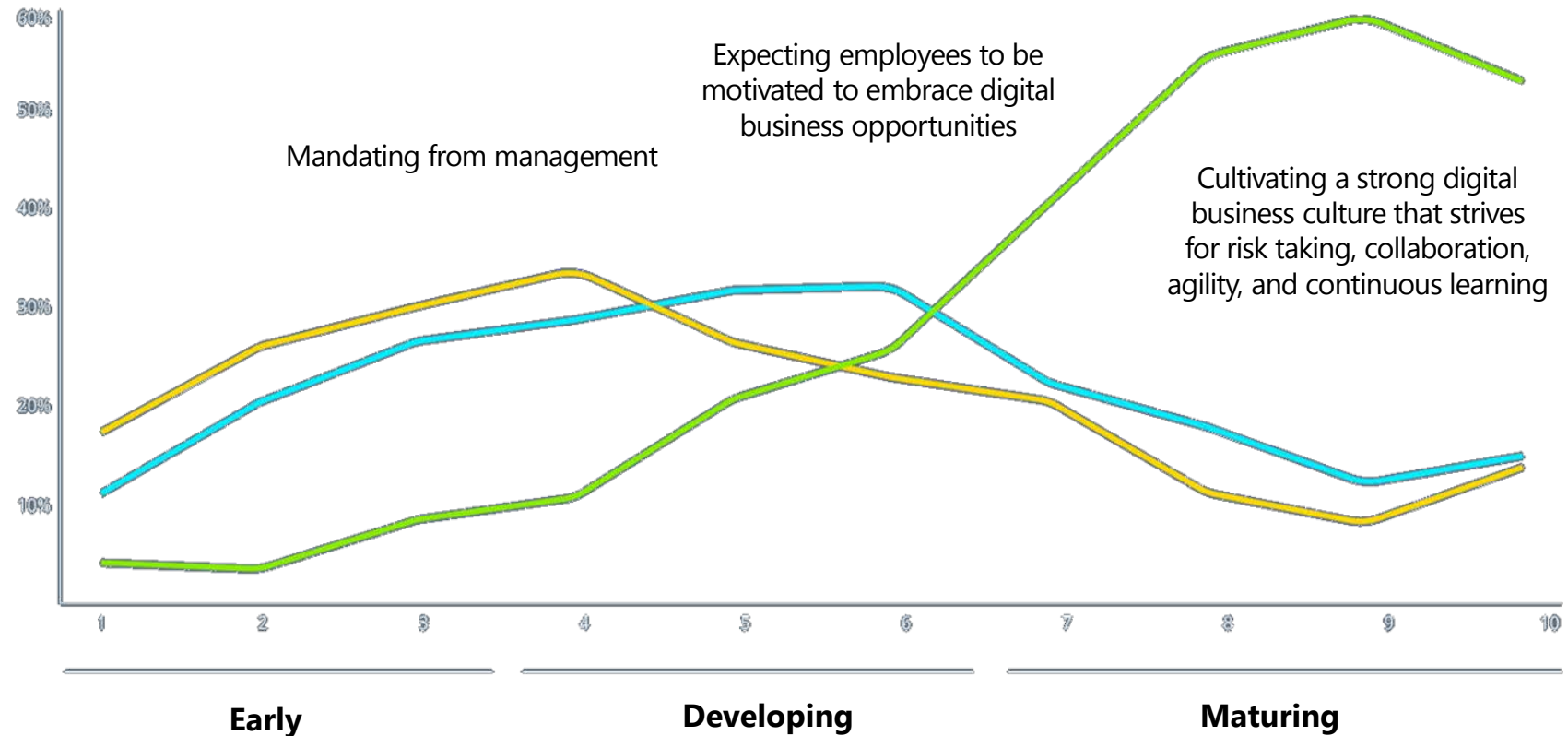
DIGITALLY MATURING



EARLY STAGE

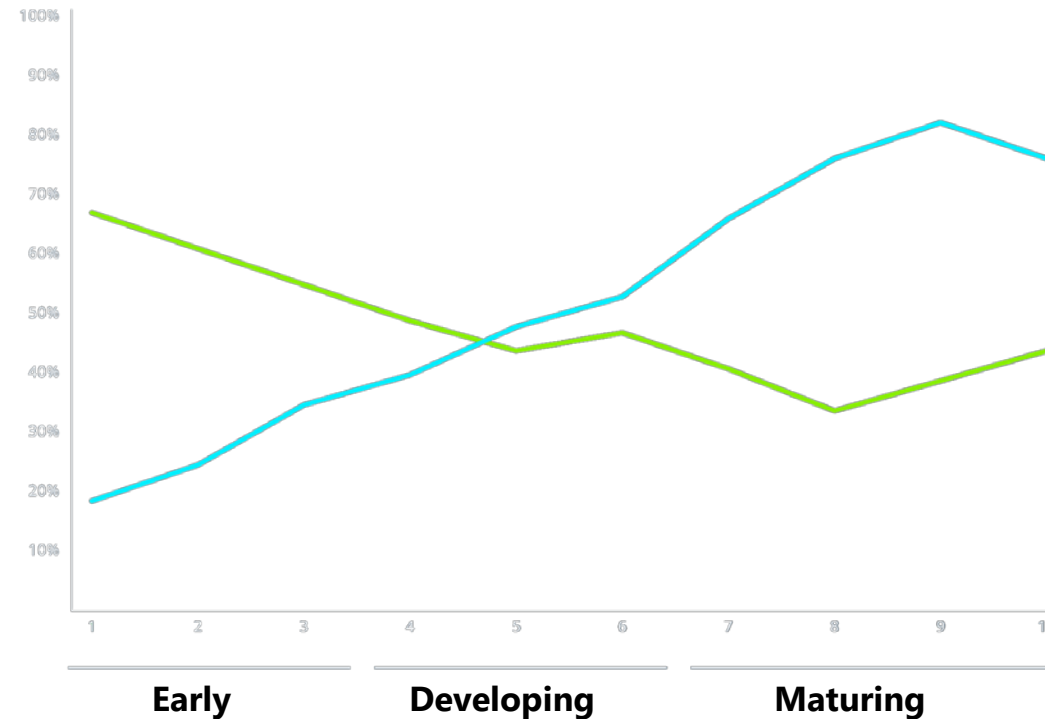
### 3. Culture drives digital business adoption

Percentage who say their organization primarily drives digital business adoption and engagement internally through:



# Structure: organize your company for digital maturity

## ORGANIZATIONAL STRUCTURE AND DIGITAL MATURITY

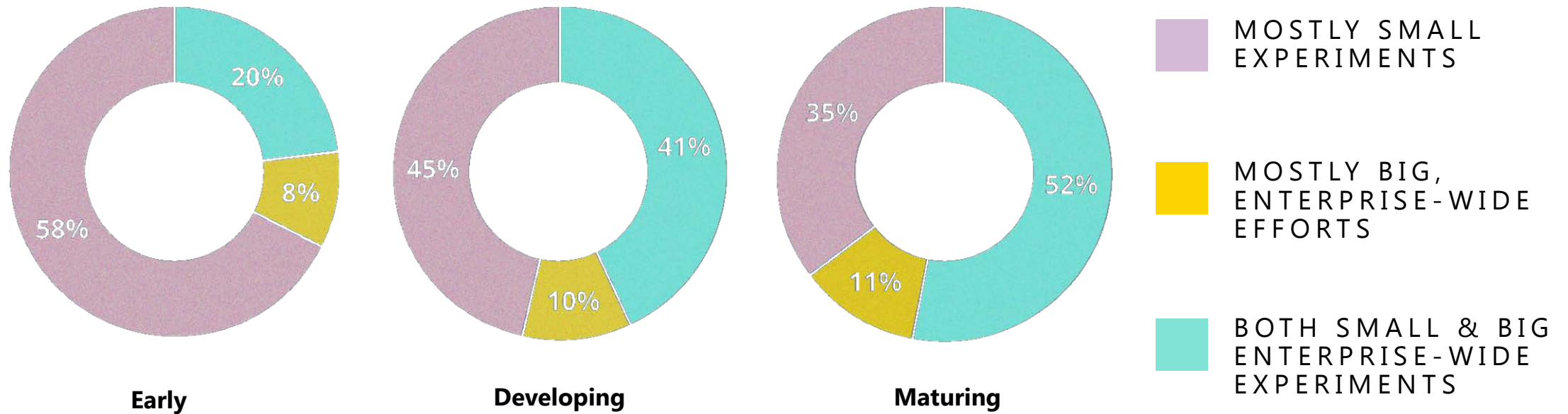


Our organization is increasingly organized around **cross-functional project teams** to implement digital business priorities

**Management** structure and practices **interfere** with our ability to engage in digital business successfully

# Scale: Experimentation is not enough

When my organization implements digital business **initiatives**, they tend to **start** as:



# Want to learn more?

Access all MIT SMR Deloitte  
Digital research here.

[www.dupress.com/digitalmaturity](http://www.dupress.com/digitalmaturity)

**Join the conversation:**

#TechFallacy

#DigitalEvolution

