

A New Member Of The A-Team In The C-Suite: The Chief Digital Officer

By David Dumeresque

During the last century, businesses have experienced plenty of disruptive innovations. Those innovations continue today, but at a pace unlike that which was experienced in the past.

Much of this is a result of the IT revolution that began in the late 1970s. Technology based on microcomputer designs provided the platform for companies to move away from mainframe systems, irrevocably changing the way they developed their organisations.

Today, however, that revolution in business computer hardware and architecture has run its course, and we are now witnessing the dawning of a new era; the beginnings of a software revolution. This transformation is not only changing established paradigms, it is also fundamentally changing the relationships people develop with business, political and economic structures.



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The onset of the digital era is resulting in massive changes to the way in which organisations operate and generate revenue. The IT.

convergence of social media, mobile technology, cloud and big data is requiring a total rethink of corporate strategic plans. Gartner, the global information technology research and advisory company, claims

that almost 90 percent of corporate investment in technology over the next ten years will be made outside of

As business leaders digitize the customer-facing segments of their business, marketing budgets are moving away from off-line to on-line. Additionally, sales, customer services and public relations are reevaluating how they can

effectively communicate with consumers and clients in order to improve customer retention. Delivering an outstanding customer experience in this new and developing digital era has become a strategic imperative.

Management is beginning to understand that to achieve this, knowledge needs to be shared more rapidly within the company, ongoing projects

must be tracked more diligently and corporate information systems made more accessible to everyone. Whereas in the past the IT department provided the technologies needed to achieve these corporate objectives, employees are increasingly being permitted to use their own personal devices in the workplace – devices such as smartphones, laptops, tablets etc. The boundaries between corporate and consumer technologies are disappearing.

Implications

This has important implications for the IT department. Not only does it no longer hold total sway over decisions relating to technology and digital developments, but we are also starting to see a changing interface between the IT department and the internal client. Employees now have a much greater understanding of what technology can do and they are driving innovative disruption, changing the balance of power in the process. According to Laura Wade-Gery, Executive Director, Multi-channel E-commerce at Marks & Spencer, as a business develops it will “get the IT it deserves”.

The Future

This is not to say that IT departments are becoming redundant because, amongst many other things, CIOs still need to maintain older legacy applications whilst integrating and managing new and innovative technologies. They also have the issue of a growing threat of cyber attack with which to deal.

The digital era has definitely brought about a need for changes in attitude because the new environment requires that the IT department covers a broader set of issues which are now predominantly customer-facing – front office not back office. To ensure companies achieve, and can maintain, a competitive advantage, a different set of competencies and business-related expertise is now required. With skills that embrace IT but lie outside of the IT arena, the position of a Chief Digital Officer (CDO) is

gaining in importance. Indeed, Gartner predicts that by 2015, 25 percent of organisations will have a CDO.

Changes

To capture the full value that advances in social technologies will allow, businesses need to become extended networked enterprises, which will be achieved by transforming their organisational structures, processes and even their cultures so that they connect well internally and equally well externally with customers and stakeholders. This is one of the responsibilities of the CDO, a senior executive who needs to possess a customer-centric focus, significant business and team management experience, consummate change leadership skills and a deep understanding of social technologies.

Whilst a company's developing digital business is a technology intensive business, customer-facing departments see it as being rooted outside the back-office function of the IT department. This is one of the reasons why the position of chief digital officer is being championed by many senior executives. They see the CDO as someone who can bring the whole of an organisation's digital footprint under one roof, controlling and driving the digital agenda and being a purposeful conduit between the IT department and all other departments.

To achieve competitive advantage in this new era of opportunity, a dynamic approach to digital business, one that requires speed and flexibility to create the most value, is required. Marks & Spencer's Wade-Gery believes that digital enables businesses to do things they could not do before. “It is straightforward to use digital channels to do what you used to do in an analogue way. However, real sophistication and adoption means you change what you actually do.” A challenge for the CDO is to ensure that traditionally siloed functions, such as marketing, product development and IT, do not obstruct this process.

A graduate of the University of Durham, David Dumeresque is a qualified solicitor and has over 25 years of experience as an advisor to a number of organisations including large multinationals to small owner-managed businesses. After five years practice in London and Paris with solicitors Slaughter and May, David spent some ten years in investment banking with NatWest Investment Bank, Scimgeour Vickers and Citicorp Investment Bank. He is currently with executive search firm Tyzack. www.tyzackpartners.com