

conversations on leadership

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# Selecting Your Digital Leader

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*How smart talent choices will help drive your Digital Transformation*

**By Trent Aulbaugh, Naveed Bandukwala, Andrea Kinder and Amitabh Sharma**  
**“What are we doing about Digital Transformation?”**

Boardrooms and executive committees across all industries struggle with this question. As leaders of organizations strive to adjust, they seek out all manner of digital change – everything from new revenue streams and customer engagement to new business models and operational capabilities.

Still, many firms grapple with the first step: choosing the right Digital Leader. This leader will define or refine your digital vision, marshal resources, and guide the transformation of the

organization. But the talent pool for this position is diverse and idiosyncratic by traditional HR standards. Finding and securing the right person is no easy task.

To face this challenge, companies must resist the urge to chase the “hot” talent and skills that make the headlines. Instead, pursue a Digital Leader in a strategic way. There is no one-size-fits-all Digital Leader; however, there is a systematic way to approach this critical hire.

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## Step One: Identify Your Digital Strategic Priorities

As can be expected, these priorities will vary greatly by company. For example, some firms may be more focused on improved customer engagement, and others on new revenue streams or efficient workforce management. Many firms will have a combination of areas they want to address using digital tactics. Understanding and prioritizing your own digital strategy is the first step in seeking a Digital Leader. While there is a temptation to choose “all of the above,” there should be clarity on the key strategic areas you will ask a Digital Leader to address and prioritize.

## Step Two: Understand the Digital Leadership Archetypes

It's important to look beyond just functional or technical skills, and to understand the broader outlook and orientation of the Digital leader.

At one end of the spectrum are leaders who are “Business Model Innovators.” Broadly speaking, they focus more on the external, or market-facing, manifestation of Digital Transformation. Their priorities will be customer and revenue oriented, and will involve product or service innovation and disruption.

At the other end of the spectrum is the “Operational Agility Enabler.” This leader focuses on using technology to transform the company's value chain - allowing for faster, more efficient and cost effective operational capabilities. Such a leader will focus on making internal processes and systems more suited

to a rapidly evolving market through the implementation of simpler processes, the right digital standards and bimodal IT (managing both legacy and newer technology platforms seamlessly).

In your search for a Digital Leader, where do your needs fall on the continuum?

Even as you evaluate these differences, know that there are certain critical traits all Digital Leaders should demonstrate, regardless of their “flavor.”

All Digital Leaders share:

- Strategic Vision and Market Insight. They can conceptualize and architect new user experiences; have insight into emerging trends.
- Change Driver and Enabler Skills. They engage stakeholders in Digital Transformation; marshal resources and establish priorities.
- Customer Passion. They seek to delight and inspire customers; design for customer, using data and trend sensing.
- Data Centricity. They embrace analytics; seek data to inform strategy.
- Agility. They are comfortable with ambiguity; demonstrate flexibility and curiosity.

## Step Three: Finding the Match

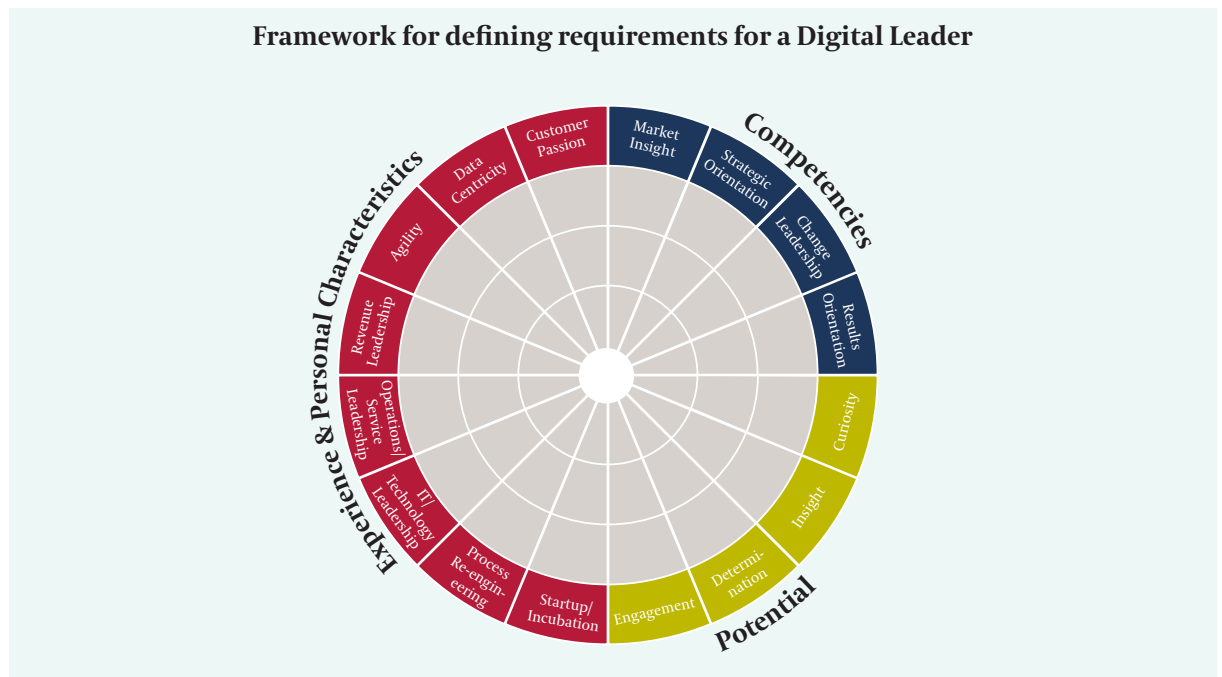
In order to help visualize the archetypes and develop a more granular view of the requirements for a Digital Leader, we have developed a Requirements Framework.

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In our experience, three key sets of criteria need to be addressed: Competencies, Experience and Characteristics, and Potential.

- **Competencies** are behaviors that enable a desired set of organizational outcomes.
- **Experience and Personal Characteristics** capture the business situations an individual has been through, and how these have shaped their personal preferences and work style.
- **Potential** highlights markers that determine a person’s ability to grow and successfully respond to a changing environment.

Figure 1, below, shows these criteria in a visual framework.



**Figure 1**

Figure 2, on the following page, demonstrates how a typical Business Model Innovator might differ from what one would look for in an Operational Agility Enabler. This framework provides a means to highlight the critical requirements of a Digital Leader for a specific business context and can serve as a blueprint for the ideal candidate. It also serves as an evaluation matrix to compare candidate capabilities against the set of defined requirements.

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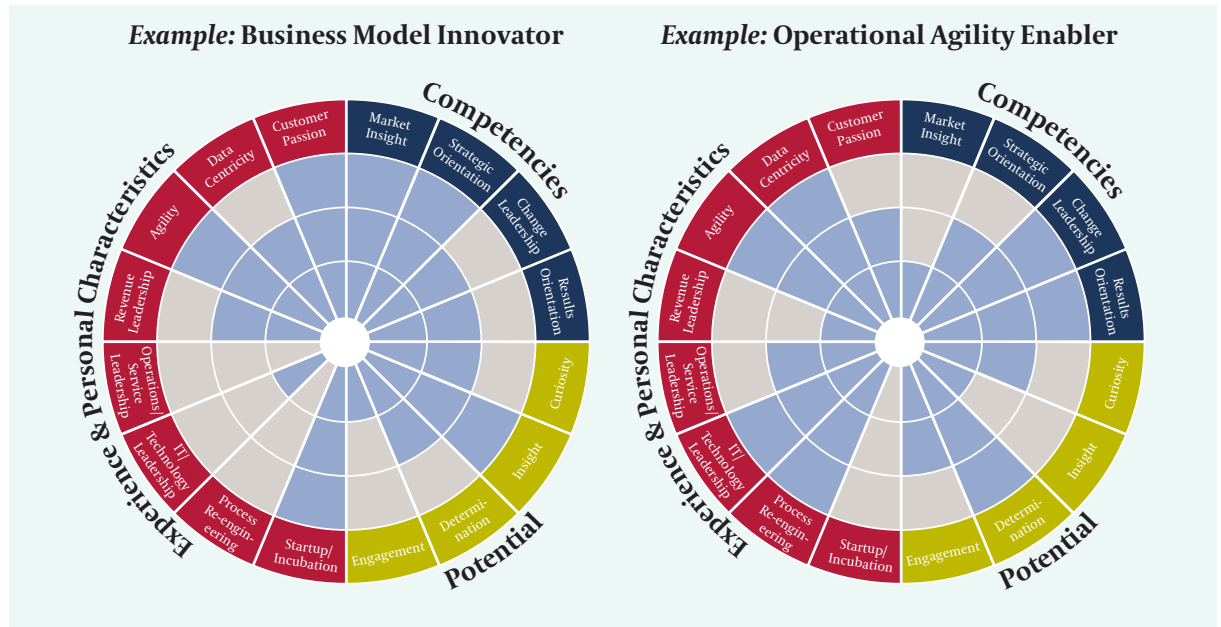


Figure 2

We have also found this framework useful in thinking about how best to complement the Digital Leader as they build up the rest of their team. Gaps in the capabilities of the leader can be addressed through carefully selecting the right people to support the leader – delivering a Digital Transformation team that is well-balanced and appropriately designed to address the strategic needs of the larger organization.

Once you have defined your strategic goals, your search process moves forward. Be aware of hiring issues unique to the world of technology that you may encounter as you consider candidates. Top digital talent may not follow a traditional path to success in the business world. Great Digital Leaders are:

- Often not inclined to leave Silicon Valley (or the corresponding tech hubs in other geographies). Consider location flexibility.
- Younger and with emerging leadership skills. Do you offer appropriate leadership training?

- In demand and may have CVs that seem “jumpy.” More frequent job changes are common in the digital ecosystem.
- Often highly compensated with equity as a key component.
- In all industries. The best talent may reside in an unusual place. There is no single path to this job.

There is an almost insatiable demand for digital talent. Nearly every sector is competing. The good news for companies is that digital talent is showing a good deal of cross-industry movement from technology companies to industrial companies and vice versa. The opportunities for a company outside of the technology field to attract top digital talent is expanding. The mandate for companies now is to conduct the search in a smart, strategic way – ensuring that the new Digital Leader will be the best pick for the transformation ahead.

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