

Advantage Note 20

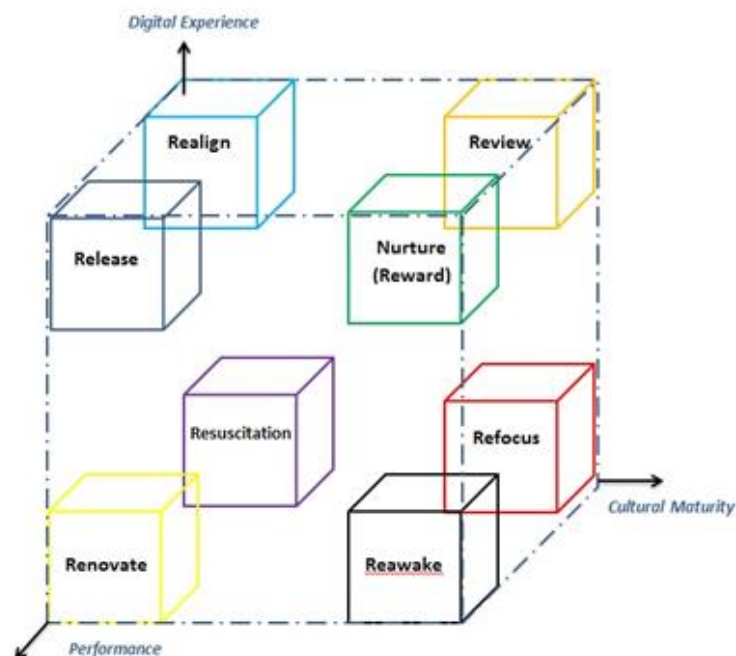
How Digitally Mature is your Business?

& How do you improve your Digital Performance?

By Declan Kavanagh



<i>Digital Experience & Pervasiveness</i>	<i>Cultural Sense & Respond</i>	<i>Performance The value of outcomes</i>	<i>State Name</i>
L	L	L	Resuscitation
L	L	H	Renovation
L	H	L	Refocus
L	H	H	Reawaken
H	L	L	Realign
H	L	H	Release
H	H	L	Review
H	H	H	Reward (Nurture)



Digital Business Maturity

“Where are we as an organisation? & What is the potential?”

In our model which helps organisations identify what they need to do to release innovation, leverage technology and transform performance we look at three dimensions. Of course there are many variables and relationships but if we want to get a snapshot of our organisation and compare with other organisations then we need to look at a minimum of three core dimensions. These are as follows:-

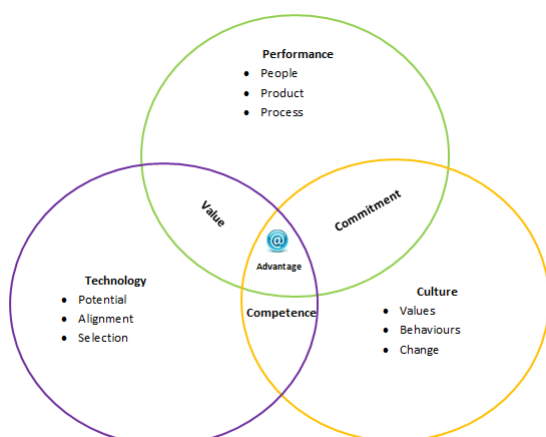
1. **Pervasiveness of Digital Technology** in our organisations ecosystem: The extent either a function “Purpose” and/or Process “series of actions to achieve an end” are carried out without human intervention (Digitized) but serving stakeholders. *The extent of the stakeholder “Digital Experience”.*
2. **Culture adaptability** “How we do things”, underpinned by beliefs, values, behaviours, rituals, symbols etc. *The extent and impact of Innovation & Agile behaviours resulting from and self-enabling change. “Cultural Maturity”.*
3. **Performance Level** of the organisation. The level of accomplishment of a task or function relative to a standard , target or norm. *The value of the organisation and to the organisation. “Performance”.*

If we understand where we are on these dimensions we can identify a more effective transformation strategy to achieve our goals.

Pervasiveness & Performance are self-explanatory, however sometimes the importance of culture may not be as obvious.

Culture is important for several reasons

- *Ability to adopt* and leverage technology is often determined by the culture of an organisation , its inherent change capabilities, agility, responsiveness, and learning capacity, for individuals, groups and the organisation
- *New ways of working* are enabled by technology, new processes, new tasks, new skills (technical and soft), new products and services. The culture significantly influences the inertia in the organisation relating to change this will ultimately determine the speed and effectiveness of leveraging technology.
- *The New Digital Organisation* is more organic , more responsive and more agile, so stakeholder attitude and approach becomes more dynamic as regards the possibilities, opportunities and related actions. It’s more innovative and change is the norm.



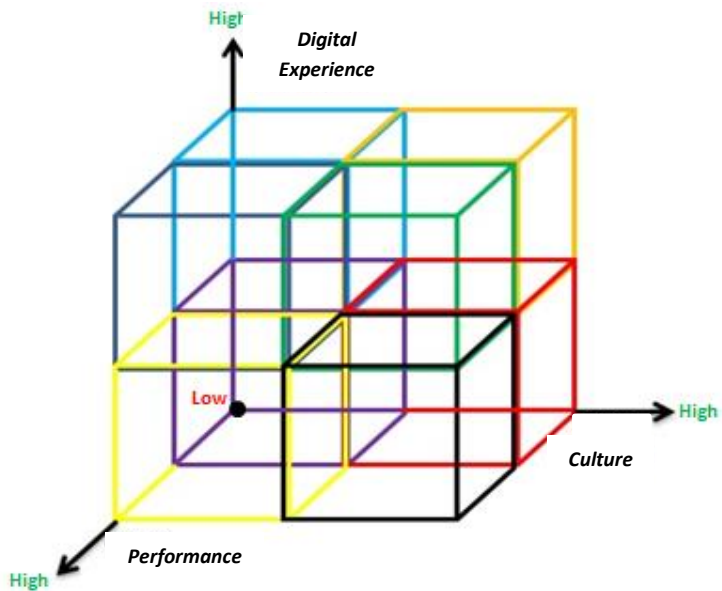
At the centre We aim to expand Advantage through enhanced Digital Maturity.

Value:- is about the impact on performance from technology.

Competence:- is about the skill, knowledge & Experience to leverage technology

Commitment:- Is about the attitude and willingness to do what it takes to drive performance

In our model we identify 8 distinct categories that identify the nature of a business's Digital Maturity:



Digital Experience	Cultural Maturity	Performance		Digital
Low	Low	Low	0	Resuscitation
Low	Low	High	1	Renovate
Low	High	Low	2	Refocus
Low	High	High	3	Reawake
High	Low	Low	4	Realign
High	Low	High	5	Release
High	High	Low	6	Review
High	High	High	7	Nurture (Reward)

Digital Level	D.E.	CM	P	Current State	Guidance
Resuscitation	L	L	L	The organisation is in the critical zone performance indicates there is a significant issue in the business, while culture signals organisational inertia is inhibiting change, while digital technology is not currently enabling performance improvement	Key stakeholders need to acknowledge significant change may be required, A full and detailed diagnosis of the organisation and its business should be completed. A high level plan and assignment of ownership and responsibility for the change put in place and stakeholders briefed. Special emphasis on staff development technical and soft skills
Renovate	L	L	H	The organisation is performing well in its current context, however there is potential for it to decline due to low adoption of digital technology, while culture may be creating inertia.	Key stakeholders need to complete a strategic review of the organisation and its business while performance creates the capacity to do so. In particular how the business can be renewed and invigorated through digitally enabled products & services. A high level plan and assignment of ownership and responsibility for the change put in place and stakeholders briefed. Special emphasis on staff development technical and soft skills
Refocus	L	H	L	The organisation has a strong and agile culture, yet it fails to deliver required performance and has limited exploitation of technology. This would indicate there is an issue around harnessing the talent.	Leadership & Management need to review how they direct and engage the talent in the organisation towards improving performance and exploiting technology. Performance management processes and innovation will be central areas to consider as will strategic planning and direction in collaboration with staff.
Reawake	L	H	H	The organisation may have fallen into a degree of complacency, it performs well and has a culture that should enable change. Yet it has not adopted digital technology to a sufficient degree either to market innovate creating external	Some dissatisfaction needs to be created with today's situation, looking to the future. Some areas of focus are scanning the business environment and analyst projections, in particular considering relevant innovation through technology. A small team might be

				advantage or internal operations advantage.	given a short term project to research, analyse and present options to key stakeholders.
Realign	H	L	L	The organisation is technology centric yet it neither performs, not seems to have the capability to change. It would appear some basic organisation and business principals have likely been overlooked. This is symptomatic of some young technology led start-ups or inappropriate management of technology adoption in more mature organisations.	Diagnosis is a likely first step in this scenario to understand the lack of alignment between the advanced technology and lack of performance. Strategic shortfalls such as the fundamentals of the business model , or tactical such as a shortfall in management or operational process effectiveness may be causal factors.
Release	H	L	H	This is an organisation that is advanced and performs well, however it lacks the dynamics to maximise its potential advantage and the capability of the team to address the risk – opportunity is restricted. Competitors will pass out if agility and responsiveness is not addressed.	It’s likely that a hard look at leadership, management and interpersonal processes is at the root of the shortfall. The goal here is to release the inherent talent to create an agile, organic and innovative organisation. Some diagnosis will be required such as climate/employee survey may be a good starting point. Looking at social business and collaboration from an organisation development perspective rather than a technology perspective will help.
Review	H	H	L	The organisation is likely to be technology advanced and digitally enabled with agile and committed individuals and teams , yet it fails to perform.	A strategic diagnosis and review inclusive of key stakeholders is necessary to identify any key external or internal factors that may be barriers to performance and improvement, including performance management itself. Business Model and Market proposition could be misaligned with customer needs or internal processes, organisation and competence may be causing sub optimum performance when added up.
Nurture(Reward)	H	H	H	This is a digitally mature performing organisation. It faces two challenges 1. Complacency 2. What next?	Ambition and Innovation are central to this type of organisation. Rewarding those that are proactive in innovating and effecting change. Further growth often requires diversification and adopting new models and inorganic strategies. The key is maintaining the energy and success culture. Pushing value and advantage creation at every level should become the norm.

How can you use this model to enhance Digital Maturity

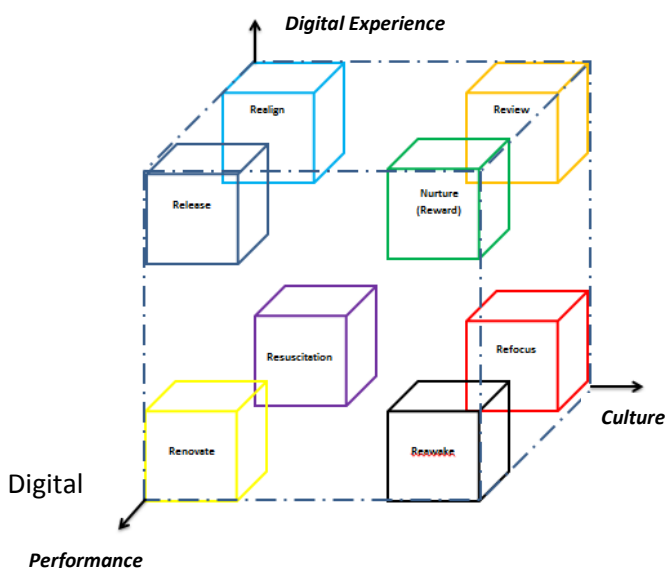
- **Complete the Digital Maturity Survey:-** This will identify your current cube and give high level guidance as to what the priorities might be to focus on. It will also identify the nature any type of further assessment/diagnosis should it be required.
- **Leadership Review** of survey findings and create a direction **and high level strategy** , this will outline the current state, why it should be changed and what the vision and goals are.
- **Secure stakeholder consensus** on a high level strategy and plan, with some clarity on the next steps. This is the start of a change process , you need to bring people along with you as your vision is likely to impact individuals, groups and organisations.
- **Choose & Implement Assessment, Evaluation and/or Diagnostics:-** Depending on the survey findings and the organisation capability, there is often a phase of further investigation of the organisation dynamics, behaviours and outcomes required before a detailed strategy and plan can be defined and executed.

- *Survey*: Looks over, observes, questions at a high level. It may or may not be evidence based and can include perceptions and attitudes. It often sets directional decision making criteria. (*Indicates*)
- *Assessment*: Observation by an expert which determines the tests, to support diagnosis. Systematic gathering, analysis and use of information to draw inference about characteristics. (*Qualifies*)
- *Evaluation*:- Systematic gathering, analysis and use of information from different sources to judge, infer worth, value and/or rate. (*Quantifies*)
- *Audit*:- A prescriptive approach to compare the actual against a defined standard (*Qualifies & Quantifies to a known standard*)
- *Diagnostic*:- A practice or routine that helps distinguish or identify distinctive characteristics (*Targeted Quantification & Qualification*)
- **Detailed, Planning, Execution, Monitoring, and Benefits Realisation**:- This is about best practice program, project, change and innovation management. There are many guides and sources. The key checks for every task, team, individual, project, process, program are:
 - *The Product*:- What is to be achieved and how will success be measured?
 - *The Procedure*: How will we go about the process of delivering the product?
 - *The People*: How will people relate, behave and interact in producing the product?
 - *The Performance*: How will we know how we are progressing and when we are properly finished?
 - *The Package*:- Is about how well we address the 4 P's above, also that the deliverable considers its 4 P's environment and the level of stakeholder satisfaction and innovation in the process.

Repeat the Digital Maturity Survey periodically: This a simple, quick survey that will give you an indication of overall progress towards attaining true Digital Maturity outcomes. It is somewhat digital in nature inherently in that there are in fact 8 binary states (Cubes) you can reside in. What the tool is doing is helping you design the most efficient logic to get from your current state to the target maturity state. Your program for transformation may not take you from your current state to target state (Or level 8 Nurturing) in your first program, if it does then well done, if it does not you will have pointers from your new current state to continue the journey.

How do you complete the Survey?

We can provide a set of sample survey questionnaires with a simple guide.



Survey Sections:

Digital Experience: Pervasiveness of Value Add Digital Technology.

Cultural Maturity: Supports & Barriers to innovation enabled performance.

Performance: Relative Business & Organisation performance (Impact)