

# Leading Digital Transformation



**DIGITAL TRANSFORMATION CENTER**  
**CENTRE DE TRANSFORMATION DIGITALE**

# About the Author



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As a seasoned Business Analyst and Senior IT Project Manager, I have led multi-scale enterprise software delivery projects and business process improvements of varying complexity over the last 15 years.

My academic background includes an MBA, and doctorate in business administration, with a focus on technology strategy. During my research, I came to realize that many digital transformation projects fail due to common pitfalls that are usually avoidable. As a result, I created the UDEL 360 methodology - a practical roadmap that empowers companies to avoid these pitfalls and capture value at scale.

I am also passionate about helping individuals pursue careers in technology. Through my guidance, training, and skills development, I have assisted numerous people in achieving their goals and making valuable contributions to the industry.

My areas of expertise include software selection, technology integration, and technology training. I bring a creative and innovative approach to every project and am dedicated to delivering exceptional results that exceed my client's expectations. With my guidance, companies can achieve their digital transformation goals, and individuals can realize their potential amidst exciting and rapidly evolving technology.

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# Digital Transformation: What it Means

Unlike scientific processes that have clearly defined steps and procedures from one step to the other, the boundaries of digital transformation are still evolving, as companies try to make sense of the emergence of new technologies that push the boundaries of different industries.

Digital transformation is “a fundamental change, a metamorphosis in how companies generate value for their owners and other stakeholders, achieved by applying digital technologies and ways of working to all aspects of the business” BCG.

To put it briefly, digital transformation is a way of thinking and a continuous and evolving process of reaching digital maturity. Businesses that embark on this transformative path are in competition with themselves, and their peers, to capture value at scale. The ultimate objective is to attain digital maturity, which marks the beginning of a new cycle of transformation.

# Leadership for Digital Transformation

Organizations are not designed for innovation. It is common for firms to focus their measurements on backward-looking metrics like sales and profits, which are not the best indicators of sustainability because they are designed for ongoing operations.

At start-up, organizations are all about innovation. However, once they start to see some commercial success, organizations evolve into what Govindarajan and Trimble refer to as a “Performance Engine.”

At this stage, the challenge shifts from innovation to making ongoing operations as profitable as possible, seeking primarily to maximize efficiency and value extraction from core offerings (Reeves, Levin, & Whitaker, 2019).

Ultimately, this type of focus on past performance is at odds with the mission of digital transformation, which is to redefine existing paradigms of the Performance Engine (Govindarajan & Trimble, 2010).

In order for digital transformation to take off and succeed, a different type of leadership is required. There is no “one size fits all” leadership model to suggest. However, at minimum, organizations aspiring to become digital businesses must find a blend of **authentic**, **servant**, and, most importantly, **transformational leaders** to lead the digital charge.

For an organization to remain successful, it has to find ways to change and renew itself strategically. The three faces or approaches to organizational change include (Spector, 2013):

1. **Turnaround**, which is an attempt to improve the immediate financial situation of an organization by focusing on the income statement and the balance sheet.
2. **Techniques and tools**, which involves focusing on organizational processes, mechanics, and other interactions to enhance internal efficiency.
3. **Transformation**, which targets behaviors to enhance human capabilities.

These approaches are all available for leaders to use to foster change efforts. They are different in that they have different strategic focuses, but overlap in the sense that it is challenging to employ each one of these approaches independent of the other.

Leaders should use a combination of all three approaches in order to foster organizational change (Spector, 2013) and strategic renewal. In today's rapidly evolving business landscape, organizations need to be able to adapt and change strategically in order to remain successful.

# The Best-Suited Leadership Type

Of all the leadership types that exist, transformational leadership is becoming more popular due to its emphasis on the intrinsic motivation of followers and their development, which fits with the needs of today's workers (Northouse, 2019).

Transformational leadership is based on the premise that it inspires employees to higher levels of motivation and performance (Cleavenger & Munyon, 2013).

Transformational leadership recognizes leaders as change agents “who are good examples to follow, who can create and articulate a clear vision for an organization, who empower followers to meet higher standards, who act in ways that make others want to trust them, and who give meaning to organizational life” (Northouse, 2019, p. 190).

This kind of leadership forms the foundation of leadership types needed for digital transformation to take off and thrive. Leaders who adopt this style seek to create a vision for their organization and inspire their followers to work towards achieving that vision.

By inspiring followers to work towards a shared vision, transformational leaders can help align the organization around a common goal and foster a sense of unity and camaraderie. “We are in this together”.

Transformational leadership can also lead to increased employee engagement and job satisfaction. By empowering and encouraging their followers, transformational leaders can help create a positive work environment that fosters creativity, innovation, and a sense of ownership.



# There is No “One Size Fits All”

However, it's worth noting that transformational leadership may not be suitable for all situations or organizations. It can be a challenging leadership style to implement and may require significant effort and commitment from leaders and followers alike.

Additionally, some organizations may prioritize stability and predictability over change and innovation, which could make transformational leadership less effective. In these situations, combining transformational leadership with other leadership styles such as authentic and servant leadership can be highly effective in driving change.

**Authentic leadership** can help to build trust and credibility within the organization, which is especially important when change is being introduced. **Servant leadership** can also be effective in these situations, as it prioritizes the needs of the team and encourages collaboration and empowerment.

By combining these leadership styles, leaders can create a more well-rounded and better suited approach to driving change, which can be especially effective in organizations that prioritize stability and predictability. This can help to create a culture of innovation and growth, while also maintaining stability and predictability in the organization.

Before embarking on change, the leadership of the organization needs to be **intentional** about what type of leadership hat will be most effective in driving that change. This can involve looking at the goals of the change, the culture of the organization, the level of buy-in from employees, and the resources and capabilities of the organization to increase the likelihood of success.



# Anticipating and Adapting

Strategic renewal is the process of revitalizing an organization's strategy, structure, and processes to stay competitive and adapt to changing market conditions. One key aspect of strategic renewal is the ability to anticipate and respond to changes in the market, technology, and other external factors. Organizations that can identify emerging trends and adapt their strategies accordingly are more likely to thrive in the long run.

Another important factor is the ability to innovate and create new **products, services,** and business models. Organizations that can foster a culture of innovation and experimentation are more likely to be able to differentiate themselves from competitors and stay ahead of the curve.

It is important for organizations to invest in their people and develop their **talent.** This includes providing opportunities for training and development, promoting a work environment where everyone is given a fair chance to succeed, and empowering employees to take ownership of their work and contribute to the organization's success.

In addition to cultivating digital talent, process improvement and innovation, and customer engagement are also key components of digital transformation. By continuously improving internal processes, organizations can streamline operations, reduce costs, and improve customer experiences.

Engaging with customers and incorporating their feedback into decision making is equally important. By soliciting and acting on customer feedback, organizations can better understand their needs and preferences and tailor their products and services accordingly. This can lead to greater customer satisfaction and loyalty, as well as new opportunities for growth and innovation.





# Doing Too Little or Too Much

Finding the right balance between doing too little and too much anticipating and adapting is crucial for organizational success. On the one hand, not doing enough can result in missed opportunities, stagnant growth, and falling behind competitors. On the other hand, doing too much can lead to inefficiencies, burnout, and diminishing returns.

To strike the right balance, organizations must take a strategic approach that balances short-term and long-term goals, considers resource constraints, and continuously evaluates and adjusts performance. This requires a deep understanding of the organization's strengths and weaknesses, as well as the broader market and competitive landscape.

Ultimately, finding the right balance is a dynamic and ongoing process that requires constant vigilance and adaptation. By staying attuned to changing conditions and adjusting strategies as needed, organizations can find the sweet spot that maximizes performance and drives sustainable growth.



# Where the Buck Stops.

Who should lead digital transformation?

- CEO?
- CTO/CIO?
- CFO?
- Vice President?
- Director of IT?

In ancient times, battles were fought using swords, and physical prowess was crucial to gaining an advantage in combat. Those who possessed long arms, athletic builds, and strong muscles were able to swing their swords with greater precision and skill.

It was essential for the King to lead the wars, as the competitive advantage depended on his physical abilities. However, over time, as society evolved, Kings began appointing Generals to lead their wars, recognizing that effective leadership was critical to achieving victory on the battlefield.

A century ago, CEOs were required to possess exceptional product development skills in order to lead their companies successfully. Companies such as Disney and Ford exemplify this, as their CEOs were renowned for their ability to develop innovative and groundbreaking products.

In modern times, the CEO of a digital organization must not necessarily be a lead technical expert, but they must be capable of leading digital transformation. The CEO must take charge of the transformation process and be accountable for its success.

Digital transformation is a complex process, and it requires the full support and buy-in of the entire organization to be successful. If left to a specific functional leader, like a CIO or CFO, digital transformation will be sidetracked by politics, personal interests, or may just not make it beyond pilot projects.

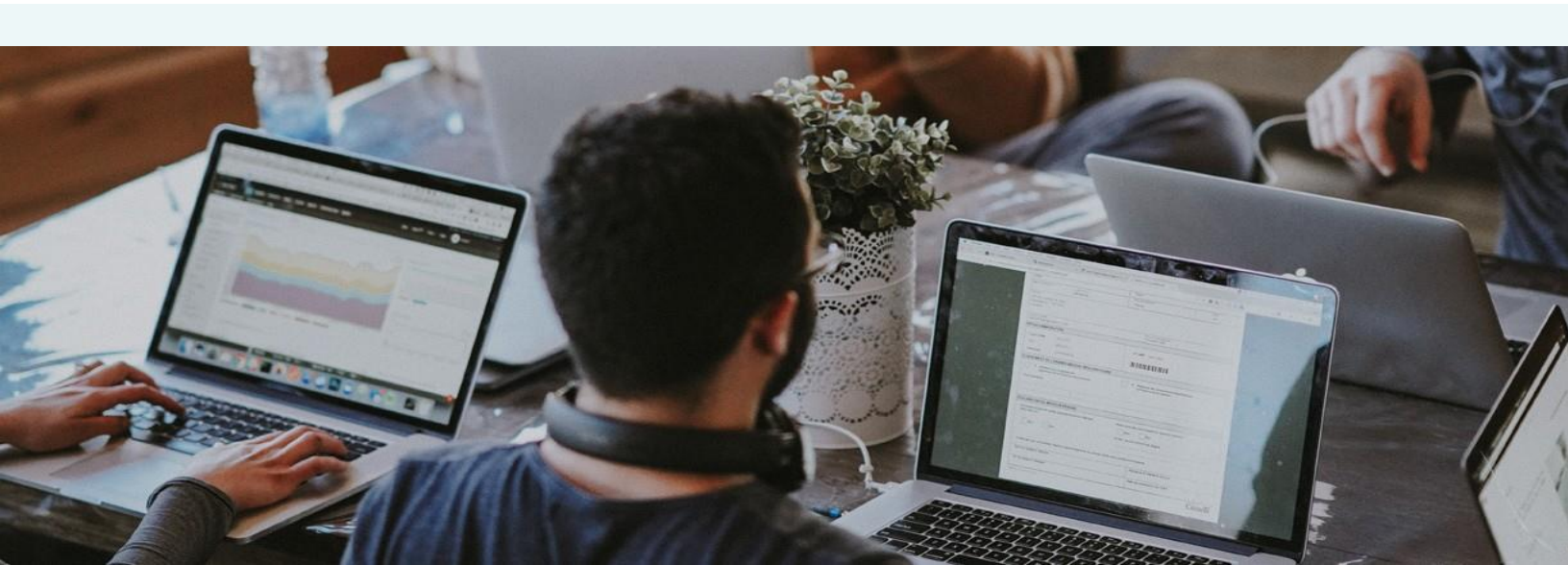


# Moving Forward

Leadership must be fully participating in digital transformation, but this involves deep collaboration with every organizational stakeholder. Digital transformation is complex to go through, because there are so many business requirements to consider in parallel. In order to achieve this, leadership must engage in deep collaboration with all stakeholders to ensure that everyone is aligned and working together towards a common goal.

In addition to collaboration, leadership must also ensure that there is a clear vision for digital transformation within the organization. This means defining clear goals and objectives, and communicating these to all stakeholders. It also means setting realistic timelines and milestones, and regularly monitoring progress to ensure that the transformation is on track.

Finally, leadership must be willing to embrace change and take risks. Digital transformation often involves significant change, and there may be resistance to this from some stakeholders. It is essential that leadership is willing to take calculated risks and drive change within the organization to achieve the desired outcome.



At the Digital Transformation Center, our goal is to help companies to embark on digital transformation and capture value at scale.



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