

DIGITAL FLUIDITY

BY

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There's something liberating about being a "digital" person: an expert internally or a consultant with expertise in the realm of "digital." The apotheosis is the Chief Digital Officer. It's so wonderful because it's so utterly undefined, being literally whatever it needs to be from day to day, as the evolving effects of digital transformation bear down upon the organization. Generally it comes with no particular commercial demand except to "make us digital" or "take advantage of digital" or something else equally flexible.

That's not at all the fault of those with expertise. Nor is it to slight the well-meant intent of the CEO and Boards constituting these roles and functions. And, probably, it's not even to take away from the borderline hucksterism of developers and consultants that flog their brand of digital mystery.

The problem is that "digital" remains loosely defined and, for better or worse, ever-expanding such that it may very well be a quantum function in an organization: at once something and nothing. So what?

There are several "whats" a responsible organization ought to consider in carrying out its fiduciary duties. The first is: does the organization have a reasonable explanation for why it is pursuing whatever digital activities it's spending money on? Most do, if for no

other reason than “competitive pressure” or “user demand/experience.” Second, and related: what’s the payback or return? This is more of a problem, at least from the perspective of a fiduciary.

Because digital keeps rapidly evolving (There is more about this wholesale transformation elsewhere.) and the demands to innovate are strong, there is tremendous strategic value and pressure to pursue (new) digital means being employed by or ahead of competitors. Let’s quickly break down these pressures and add some context.

All businesses have competitors. Leaders feel the competition nipping at their heels, pushing them to stay ahead. These are leaders because they tend to be ahead, looking for the innovations that will give them an edge. Very likely, they got on the digital treadmill some time ago and are evolving with it. The others chase the leader, pursuing those actions the leader takes that appear to have value. For these players, technological (digital) evolution is probably annoying. Just when they get a handle on what digital means—email, website, eCommerce, social media, Cloud...—it moves on along with the leader(s).

Some evolutions of digital have been easier to recognize and name. eCommerce, for instance, is straight-forward. Transacting sales online. While there are layers of technological and process complexity needed to achieve it, eCommerce is no more complicated than that. eMarketing was equally easy to translate from the known analog world. There is a medium through which alluring content is transmitted to consumers of that content. These might also be consumers of your stuff. So ads are placed obnoxiously into the content to communicate to a captured audience. Newspaper, meet portal. Social took a bit more effort for traditionalists to wrap their heads around because it enabled two-way interaction that could preclude the subject of the discussion. Having a

“conversation” was, with social media, much more than even the Cluetrain Manifesto augured.

What’s harder to gauge are the changes that digitization brings to the core business operations or even the core business itself. The examples of Kodak and the music industry are overworked but have suitable relief that both the distinction from those areas noted above, and the impact are clear. Someplace in the middle is the ongoing evolution of IT, enabled by unrelenting digitization of ICT that is quickly turning IT from a wizard’s domain into a commodity if not utility. My point? Where does the CDO and even the definition of “digital” fit now?

Let’s consider the march of digitization and technology. There is always pressure to pursue such approaches even though the business model and commercial value (i.e., are they profitable) are unprovable. So “digital” may just be a convenient and evocative word to use if you are inclined to imprecisely give yourself and/or your service greater standing than might be warranted. It reeks of what’s to come and the mysteries of the technological unknown. And that’s worth something to someone.

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