



From C-Suite to Digital Suite

How to Lead Through Digital Transformation

LEADING THROUGH DIGITAL TRANSFORMATION

Digitization, data generation, automation, artificial intelligence, private cloud and public cloud, machine learning, Moore's Law, Metcalfe's Law and more. The impact of technology on organizations of every size and sector is infinite, and we know the pace of disruption is accelerating. By 2020, 30 percent of industry revenues will come from new business models.¹ Rapid digital transformation is needed for forward-thinking businesses to capture opportunity and compete, and leaders must be ready to lead in the digital age.

COMPANIES THAT EMBRACE DIGITAL TRANSFORMATION...



We have been through technological disruption before but business cycles today are shorter. In the Industrial Revolution it took 50 years to redefine processes and take full advantage of technology. Now organizations have as little as six months to change, or not. Transforming quickly can make the difference between success and failure, and needs to be continuous for organizations to stay ahead and remain competitive. Digital transformation is by no means a one and done.

¹ Disruptive Trends That Will Transform the Auto Industry, McKinsey & Company (2016)

^{2,3} The Digital Advantage: How Digital Leaders Outperform Their Peers in Every Industry, Capgemini Consulting (2012)



WHAT'S INSIDE

INTRODUCTION p2

MIND THE LEADER GAP: WHAT GOT US HERE WON'T GET US THERE p4

LEADING THROUGH TRANSFORMATION: WELCOME TO THE DIGITAL SUITE p5

THE 80/20 RULE: IT'S THE SAME, BUT DIFFERENT p6-7

BREATHING NEW LIFE INTO MANUFACTURING THROUGH
DIGITAL TRANSFORMATION p8

IDENTIFYING AND NURTURING DIGITAL LEADERS: THE P3 LEADER MODEL p9

LEVERAGING DIGITAL LEADERS: FACILITATING TRANSFORMATION
ACROSS THE WORKFORCE p9

DON'T GET STUCK IN ANALOG: GET DIGITAL-READY p10-11



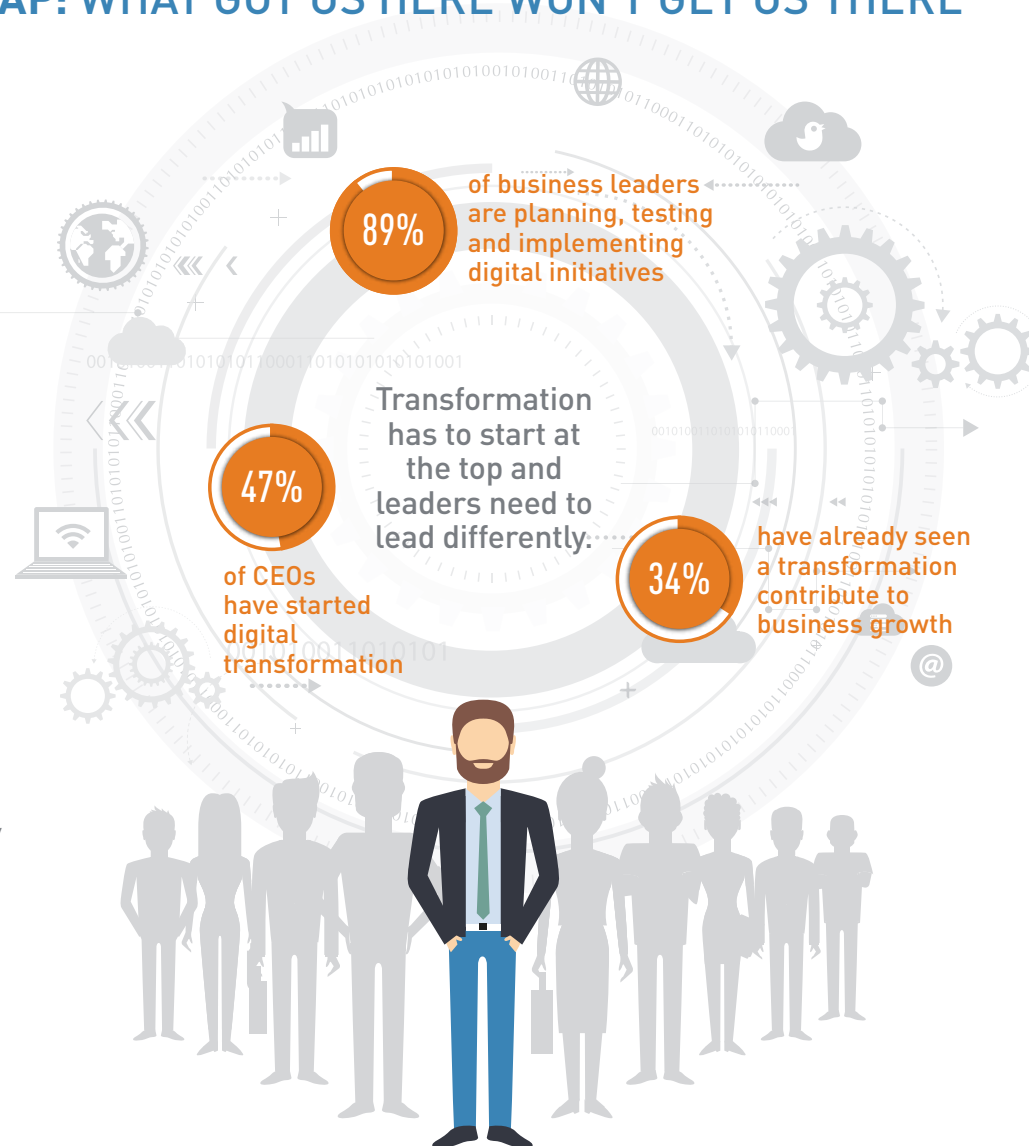
"Leading tomorrow needs to be different from today. What got you here, won't get you there."

-Dr. Tomas Chamorro-Premuzic, CEO of Hogan Assessments and Professor of Business Psychology at University College London and Columbia University

MIND THE LEADER GAP: WHAT GOT US HERE WON'T GET US THERE

To be transformation ready organizations must create a culture of innovation. They need to be open to change, prepared to take calculated risks and willing to fail fast. Transformation has to start at the top and leaders need to lead differently.

Most organizations — including those that are ahead of the game — say that their leadership pipeline and existing leaders are not yet prepared to fully tackle the challenges of digital transformation.⁴ Mindset and skills challenges—including resistance to new ways of working and feeling overwhelmed by complexity—prevent many organizations from achieving effective digital transformation. The glass half-empty view indicates that only 47 percent of CEOs have started digital business transformation, with greatest activity occurring in media, financial services, retail and healthcare sectors.⁵ **The glass half full perspective says 89 percent of business leaders are planning, testing or implementing digital initiatives and 34 percent have already seen a contribution to business growth.**⁶



Almost 9 out of 10 HR leaders do not believe they have the leadership talent to drive success

Businesses are at various stages of transformation: determining strategic importance, working out whose role it is anyway or just firing up to follow. **Wherever companies are on their digital journey, the path is clear: they need to be even more agile, and they need to be able to deliver in the short-term while adapting for the long-term.** They must take advantage of new tools and fresh thinking that help maximize opportunity. Leaders must keep the business running smoothly with one hand while preparing for a different and uncertain future with the other.

⁴ Leadership Crisis in Digital Transformation, Information Age (2017)

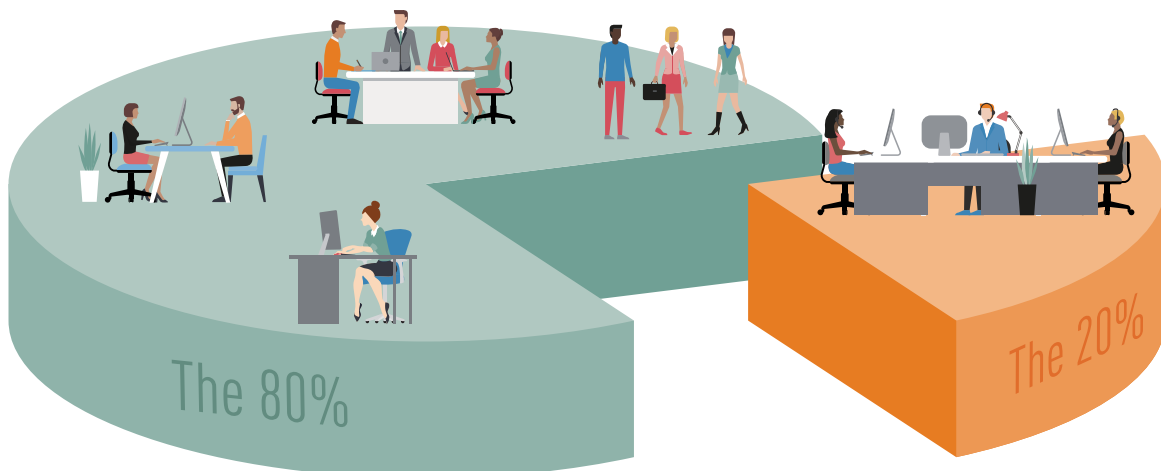
⁵ Driving Digital Transformation: Many Businesses are just beginning their digital transformation journeys, CIO (2017)

⁶ Fujitsu Surveys Business Leaders Across 15 Countries on the Status of Digital Transformation Initiatives, Fujitsu (2017)

LEADING THROUGH TRANSFORMATION: WELCOME TO THE DIGITAL SUITE

Changing the way things get done can cause friction. It can impact decisions, hamper progress and disengage people. So the imperative for the right leaders to drive the right behaviors has never been greater. Yet existing methods of identifying and developing leaders are not working. **Eighty-seven percent of HR leaders do not believe they have the leadership talent to drive success.⁷** And the gap between traditional ideas of leadership effectiveness and what it actually takes to drive sustained business performance in the digital age is becoming increasingly evident.

The good news: digital leadership is not a total replacement of the fundamental attributes underlying leadership effectiveness. Instead, the 80/20 rule applies. Eighty percent of the competencies and enablers that have always made leaders effective remain the same. The other 20 percent is made up of the capabilities that were not so necessary before, but are critical now for modern and future leaders.



THE DIGITAL SUITE

A community of digital-ready, analytically-minded and connected leaders dedicated to creating the necessary culture and capability within the organization to unlock opportunities and drive successful digital transformation.

⁷ Talent Management: Accelerating Business Performance, Right Management (2014)

THE 80 PERCENT: STRONG LEADERSHIP SKILLS ARE NOT TO BE UNDERESTIMATED

Leaders have spent years developing valuable skills, navigating the career lattice and acquiring first hand experience of change with a tenacity to work through failure. Swapping out your leadership team with digital-ready millennial leaders is not the answer. The current, rapid challenges of leading through digital transformation makes this experience more, not less, important. Developing the critical skills and coachable capabilities of existing leaders while nurturing them as NextGen leaders is required to rapidly transform organizations. In addition to having the right inherent enablers, all leaders should possess **Curiosity and Learnability** together with **Digital Skills and Expertise**.



THE 80%: INHERENT ENABLERS

The powerful combination of **brightness, adaptability, endurance and drive** are the enablers and solid foundation for effective leaders. These attributes are predictive of future success.

Adaptability: Comfortable with ambiguity, complexity and uncertainty

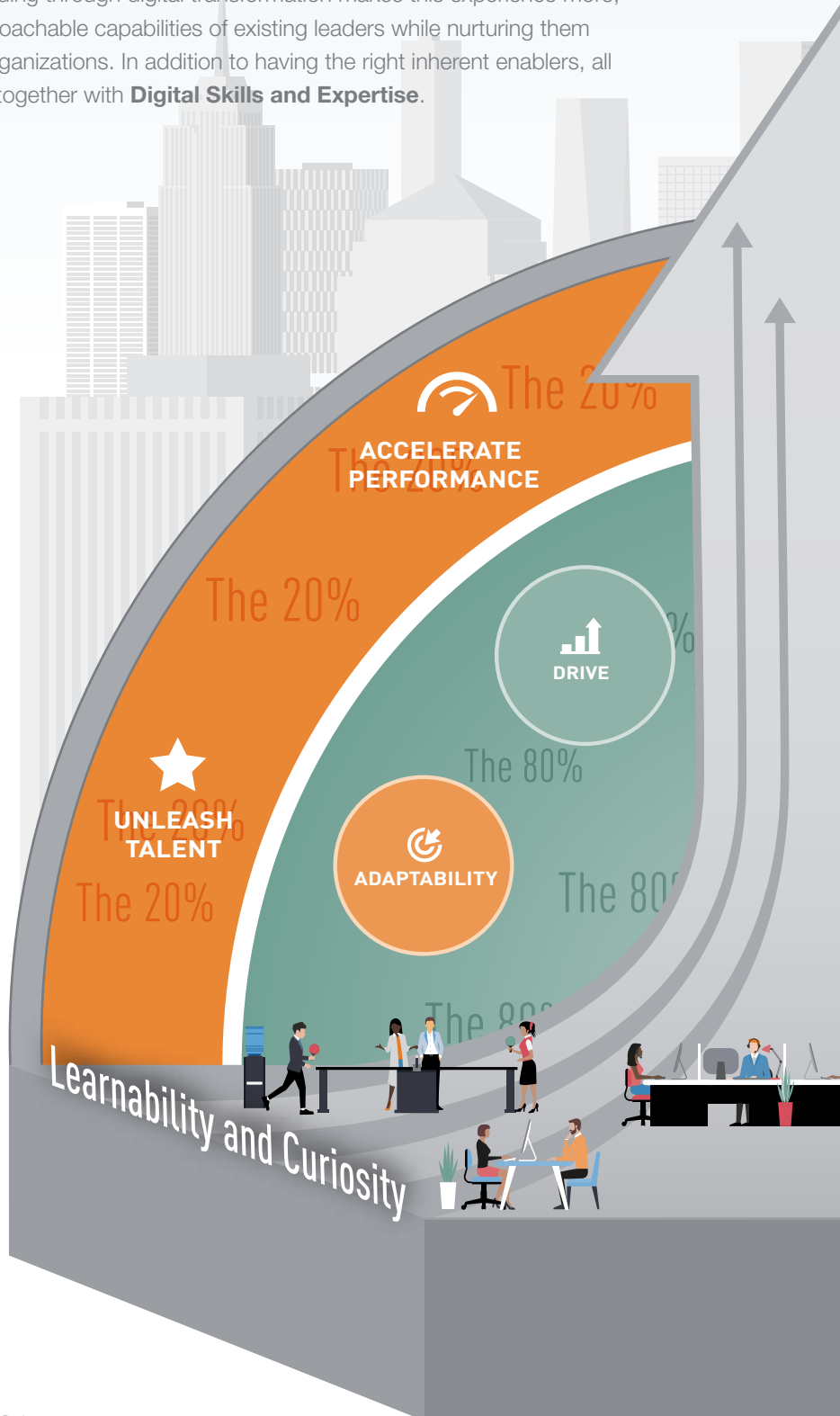
Drive: Hunger, energy and desire to be successful

Endurance: Highly resilient, tenacious and has stamina

Brightness: Intellectually curious and sharp, continuous learner

Learnability and Curiosity: In a world of rapid frequent disruption new skills emerge as fast as others become obsolete. What you know is less important than what you can learn. Leaders need to be role models by seeking out different experiences, unusual perspectives and by being open to fresh ideas.

Digital Skills and Expertise: Leaders must also have an understanding of the technical skills required to effectively transform their business. They should surround themselves with experts and take time to stay informed of the latest trends, challenges and opportunities facing their organization.



IT'S THE SAME, BUT DIFFERENT

FOCUSING ON THE 20 PERCENT: NEW CAPABILITIES FOR DIGITAL-READY LEADERS

Digital-ready leaders need the strong foundation of traditional leadership skills and also to be able to consistently demonstrate the additional 20 percent. They need the ability to **Unleash Talent**, to **Dare to Lead** and to be able to **Accelerate Performance**. You can upskill existing leaders and high-potentials as well as amplify these skills by infusing your talent pool with digital-ready leaders from other businesses that may be more advanced in their transformation journey.



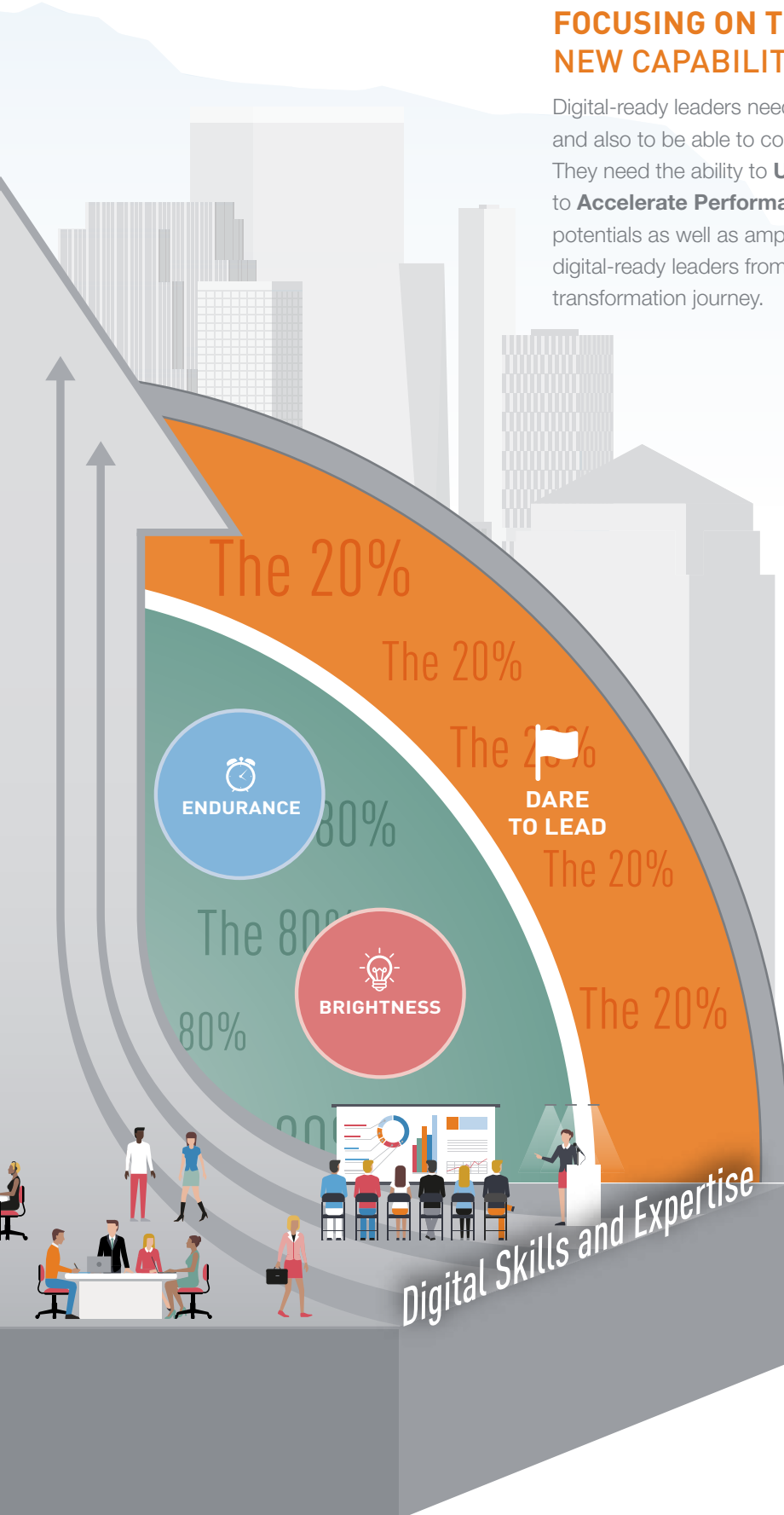
THE 20%: COACHABLE CAPABILITIES

Leaders must develop the capability to **unleash talent, nurture learnability, accelerate performance, foster entrepreneurialism and the ability to dare to lead.**

Unleash Talent: Effective leaders need to accelerate performance by attracting and developing high potential talent from inside and outside of the organization. They must build a culture that encourages ongoing career development for individuals and provides employees with a sense of purpose. Building trust in leadership is critical to success for today's leaders.

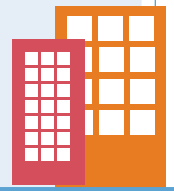
Accelerate Performance: Achieving sustained performance requires digital leaders who can balance near-term strategies for business development. Successful leaders help employees understand the significance of their role in helping the company reach its goals and they champion cross-functional collaboration.

Dare to Lead: Middle managers are expected to champion change yet are often caught between ambitious business goals and less than optimal processes. Equipping mid-level leaders to foster innovation, take risks and manage courageous decisions is vital to effective transformation.





3.5 MILLION U.S.
MANUFACTURING JOBS
WILL BE CREATED OVER
THE NEXT DECADE



BREATHING NEW LIFE INTO MANUFACTURING THROUGH DIGITAL TRANSFORMATION

One industry most impacted by digital transformation is manufacturing. In the U.S. the sector and its supply chain accounts for 32 percent of GDP.⁸ And while some predict that robots will eliminate jobs,⁹ in fact, as automation continues at pace, an estimated 3.5 million U.S. manufacturing jobs will be created over the next decade. This is across all sectors, from medical devices and electronics, cars and 3D printing suppliers, to food and plenty of other consumer products. **The biggest threat to manufacturing is not machines — it is people.** Up to 2 million jobs may go unfulfilled because existing and emerging workers do not have the required skills.¹⁰

Manufacturing also generates more data than any other sector yet uses a fraction.¹¹ Industry leaders see digital transformation as the opportunity to revitalize the sector, radically increasing productivity, enabling data analysis and innovation in strategy, workforce, products and customer experience. **Turning digital opportunity into reality requires the right technology, the right skills and also the right people.**

Closing the skills gap and knowing which skills they need for the future is a challenge for employers across all industries. By 2020, more than one-third of in-demand skill sets will be comprised of skills not considered crucial or even non-existent today.¹²

That's why in 2017 the Digital Manufacturing Design Innovation Institute (DMDII¹³) partnered with ManpowerGroup and other employers in the sector to identify and define the in-demand skills for 21st century advanced and digital manufacturing roles. We created the first-of-its-kind Jobs Taxonomy identifying 165 data-centric jobs that will define the future of U.S. manufacturing.¹⁴

Digital leaders who can map an operational framework for the new digital enterprise, effectively communicate an inspiring vision and mobilize the digital workforce will be most likely to succeed.



By 2020, more than one-third of in-demand skill sets of most occupations will be comprised of skills not considered crucial or even non-existent today.



IDENTIFYING AND NURTURING DIGITAL LEADERS: THE P3 LEADER MODEL

Organizations need a practical methodology to predict, develop and measure leader effectiveness. Right Management's **P3 Leader Model (People, Purpose, Performance)** helps organizations identify, coach and develop current and future leaders. Based on our evaluation of leadership competencies of over 13,000 leaders across multiple sectors — Manufacturing, Energy, Utilities, Technology, Healthcare, Banking & Finance and Pharma—the P3 Leadership Model identifies the inherent enablers and the coachable capabilities that help develop leaders fit for the digital age.

Right Management partners with organizations of all sizes to develop the right leadership skills in the right people and at the right time to accelerate transformation success, wherever leaders are in the transformation journey.

LEVERAGING DIGITAL LEADERS: FACILITATING TRANSFORMATION ACROSS THE WORKFORCE

To lead in the digital age, business leaders need to combine the best of human and machine intelligence to create an inclusive, tech-enabled and forward-thinking company. Organizations at every stage of the transformation journey will need to identify, nurture and develop their existing workforce and future leaders to amplify what's humanly possible in a digital world. Leaders that drive organizational strategy, set the culture and provide a clear vision and roadmap for their people, identifying, nurturing and developing existing and future leaders, will successfully transform their organizations.



⁸ Manufacturing's Economic Impact: So Much Bigger Than We Think, IndustryWeek (2016)

⁹ Forrester Predicts Automation Will Displace 24.7 Million Jobs and Add 14.9 Million Jobs by 2027, Forrester (2017)

¹⁰ The Skills Gap in US Manufacturing: 2015 and Beyond, Deloitte (2015)

¹¹ The Digital Manufacturing Revolution: How It Could Unfold, McKinsey & Company Operations (2015)

¹² Future of Jobs, World Economic Forum (2016)

¹³ A UI Labs collaboration in partnership with the U.S. Department of Defense to transform American manufacturing through the digitization of the supply chain

¹⁴ Manufacturing is Dead? Think Again. Here are 165 Digital Roles Shaping NextGen Manufacturing in the United States, ManpowerGroup (2017)

DON'T GET STUCK IN ANALOG: GET DIGITAL-READY

Digital transformation is not a one and done. Change is dynamic, so agility and continuous adaptation is essential. Feedback from consumers, workers, investors, competitors, even machines and systems, will be central to informing leadership decisions.

Leaders in the digital age must encourage a culture of measured innovation and experimentation within clear parameters, and they must learn fast. They should be prepared to quickly course correct and optimize opportunities. They must break down silos and champion seamless collaboration and exchange of information. And importantly, they must compete for scarce skills, engage talent in more varied ways than before, and champion broader thinking and learnability to fast-track upskilling and reskilling of their people.

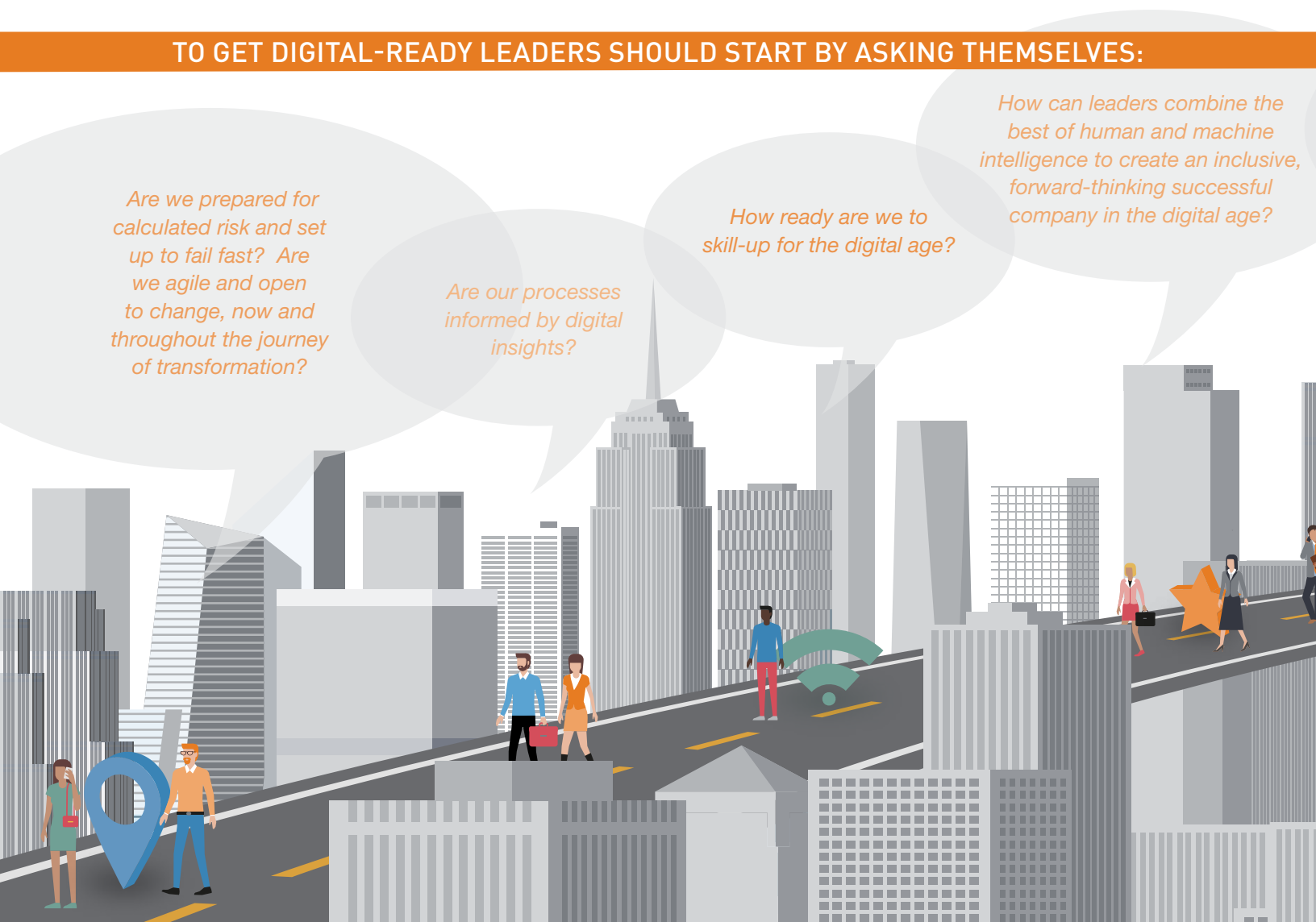
TO GET DIGITAL-READY LEADERS SHOULD START BY ASKING THEMSELVES:

Are we prepared for calculated risk and set up to fail fast? Are we agile and open to change, now and throughout the journey of transformation?

Are our processes informed by digital insights?

How ready are we to skill-up for the digital age?

How can leaders combine the best of human and machine intelligence to create an inclusive, forward-thinking successful company in the digital age?





Want to get started and know more to develop a digitally-enabled and transformation-ready leadership team?

Contact Right Management at: www.right.com/digitalleader

Are our development programs designed to nurture and advance future digital leaders?

Does my leadership team and talent pipeline possess the Inherent Enablers and Coachable Capabilities to drive successful transformation in the digital age?

Are we creating a culture of innovation?

Are we using the right criteria to identify future leaders?





About Right Management

Right Management is the global career and talent development expert within ManpowerGroup®. We help organizations become more agile, attractive and innovative by creating a culture of career development and learning that nurtures future talent, motivates and engages people, and provides individuals with opportunities to increase their value throughout their careers. We improve time to value through our expertise in organizational effectiveness, career development and individual development. Our approach is centered on the fact that organizations thrive when individuals are successful in their careers. We've spent the last 35+ years identifying workforce challenges and developing innovative solutions, enabling our globally informed methods to be time-tested across more than 50 countries.

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