



ORCHESTRATING DIGITAL BUSINESS TRANSFORMATION

Working in Concert to Achieve
Digital Excellence

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Digital Disruption

These two words have the power to send shivers down the spines of business leaders, regardless of industry or geography. Many have already been impacted by digital disruption and are struggling with what to do about it.

It's the Value, Not the Value Chain

Digitization of products, services, and business processes allows disruptive players to deliver the same value as a traditional competitor, and even augment it, without having to reproduce the conventional value chain.

In fact, this is the fundamental objective of digital disruptors: to provide superior value to the end customer while avoiding the capital investments, regulatory requirements, and other such impediments of “encumbered incumbents.”

For disruptors, **it's the new and improved value created for the end customer that matters, not the value chain that produces products or services.**

– *Digital Vortex*,
Global Center for Digital
Business Transformation

These leaders have come to realize that digital disruption alters traditional competitive dynamics in two ways: 1) by the velocity of the changes it drives and 2) by the stakes involved. Digital disruptors innovate rapidly and are agile enough to exploit business models that threaten market incumbents, often across multiple sectors.

In response to this new competitive reality confronting leaders, IMD and Cisco jointly established the [Global Center for Digital Business Transformation](#) (DBT Center) in mid-2015. A year later, the DBT Center published its first book, *Digital Vortex: How Today's Market Leaders Can Beat Disruptive Competitors at Their Own Game*.

The book describes a “Digital Vortex” in which business models, offerings, and value chains are becoming digitized to their maximum extent. The force of this vortex separates physical and digital sources of value, yielding “components” that can be readily combined to create new disruptions and blur the lines between industries.

Industries closest to the center of the vortex are most impacted by digital disruption, while those around the edges are affected the least. However, we have observed that any industry, regardless of its starting position in the vortex, can be quickly pulled into the center by new digital technologies and business model innovations.

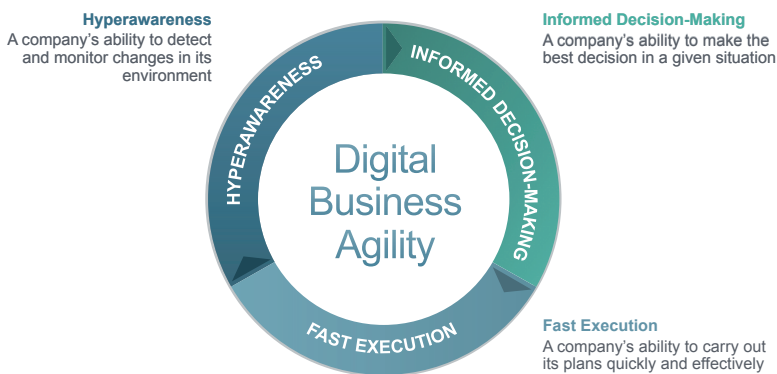
Disruptors do not replicate the value chains of traditional companies. Instead, they use digital business models to lower costs, build better customer experiences, and create scale. Mature companies can act like disruptors themselves by enhancing these three forms of value – *cost* value, *experience* value, and *platform* value – to create their own digital business models and offerings.

The most disruptive companies create what we refer to as “combinatorial disruption,” blending all three forms of value for customers, yielding a competitive advantage incumbents struggle to match.¹

To grow in the Digital Vortex – and avoid the death spiral of lost revenue and lower profits – companies must generate significant returns from a succession of new market opportunities. Unfortunately, most companies lack the wherewithal to do so consistently.

They need to develop digital business agility (see Figure 1), which encompasses three continuous, interconnected, and mutually reinforcing capabilities: *hyperawareness* (collecting the right information about a company's business and operating environments); *informed decision-making* (using this information to make good decisions consistently); and *fast execution* (quickly bringing decisions to life by executing required changes in a company's business and operating models).

(Figure 1) Digital Business Agility Is Essential for Creating Digital Business Models



Source: Global Center for Digital Business Transformation, 2015–2017

Since the release of *Digital Vortex*, we have engaged with hundreds of executives in workshops and events. Most have quickly grasped the threat posed by disruption, the imperative to change their strategy, and the importance of building digital business agility in their organizations.

We made it clear that the book is not about transformation per se, but rather that it is a “manual on how to compete.” The book describes how digital disruption occurs, how market incumbents can harness disruption for competitive gain, and the organizational capabilities firms must put in place as agile “next practices” needed to succeed in the Digital Vortex. Our focus was not on transformation in a general sense, but rather on how companies – especially large, mature market incumbents – can pursue disruptive business models to make money in new ways and create the agile organizational capabilities required to adapt to the ever-changing realities of the Digital Vortex.

Key Takeaways

1. Unfortunately, most companies lack the capabilities required to grow in the Digital Vortex.
2. They need to develop their **digital business agility**: hyperawareness, informed decision-making, and fast execution.

Key Takeaways

1. To thrive in the Digital Vortex, you must answer fundamental questions about the value you want to create.
2. By answering these questions, you are setting your **strategic direction**, which will demand changes across many aspects of the business.
3. These parts of the business constitute the “orchestra.”

As we enter the second year of the IMD–Cisco partnership, the DBT Center is turning its research lens to a different set of questions that are top-of-mind for the hundreds of senior executives with whom we have engaged: How should we *execute* our transformation? Where do we start? What is the sequencing of actions? And in different areas of the business, what precisely should we change, and to what extent?

To address these questions, we are launching a new research project we refer to as “Digital Orchestra.” Just as conceiving of digital disruption as a vortex helped us explain how disruption changes the *nature of competition*, the analogy of an orchestra illustrates how to *execute a digital transformation*.

Orchestrating Digital Business Success

To thrive amid digital disruption, a company’s executives must answer fundamental questions about the value they want to create – and their strategic options for getting there. By answering these questions, they set the strategic direction, the execution of which will require significant changes across many aspects of the business. These parts of the business – the company’s operating model – constitute the “orchestra.”

Just as conceiving of digital disruption as a vortex helped us explain how disruption changes the nature of competition, the analogy of an orchestra illustrates how to execute a digital transformation.

Establishing the strategic direction is like composing a symphony that calls upon each section of the orchestra to play its part at the appropriate time. Once a company has composed its symphony (it has set its desired competitive future state and strategy), it must “perform” the composition, bringing it to life. But how do you “play” the symphony? Where do you begin? Even the most beautiful musical score will sound like a cacophony if the instruments all play at once, or if the musicians are not “all on the same page.”

As we made clear in the conclusion of *Digital Vortex*, one of the principal reasons transformation programs falter is because firms lack a clear understanding of their strategic direction – the business model(s) and strategies needed to create value for their customers. Before an orchestra plays its first note, it must select the music to be performed. Will it be a light Haydn symphony requiring fewer players, a thunderous Prokofiev symphony featuring the full complement of musicians, or perhaps a rock-and-roll ballad?

Here, there are two main considerations:

What value to create?

- To what extent does your organization *currently* create cost value, experience value, and platform value for its customers?
- To what extent will your organization need to create *new* forms of cost value, experience value, and platform value for its customers to capture new market opportunities and respond to threats (i.e., the company's desired competitive position)?
- What must be changed to *bridge the gap* between current and new forms of value?

Which strategic responses?

- To what extent will your organization *protect* and *enhance* existing lines of business based on emerging opportunities and threats?
- To what extent will your organization *disrupt* existing lines of business based on emerging opportunities and threats?
- To what extent will your organization seek out *new* lines of business based on emerging opportunities and threats?

Once your organization has selected its music, it needs to decide how each section of the orchestra will come together to deliver a memorable performance. Timing is essential. Companies face similar decisions when it comes to digital transformation. Which parts of the organization are needed to execute the strategic direction, and how will they work together to ensure harmony rather than dissonance?

One of the principal reasons transformation programs falter is because firms lack a clear understanding of their strategic direction...

Key Takeaways

1. Before an orchestra plays its first note, it must select the music. What kind of music / value will you create?
2. After you choose your "music," you must decide which sections of your orchestra are needed to execute the performance (your strategic direction).
3. How will you ensure a harmonious experience?

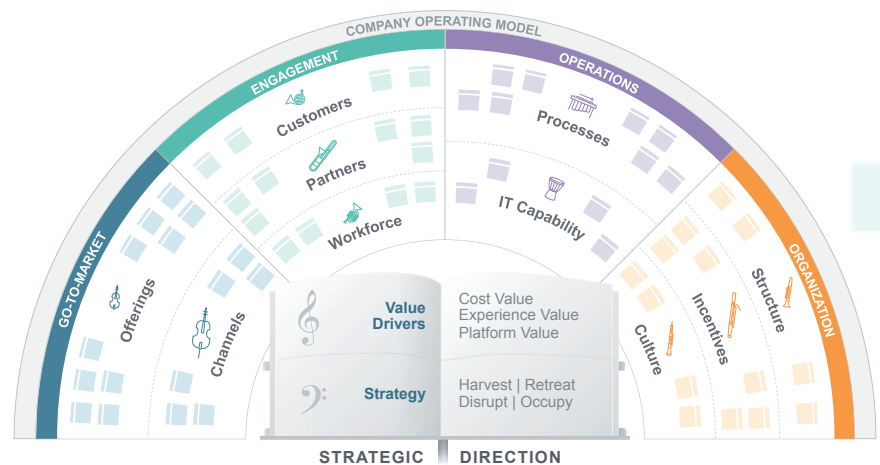
Key Takeaways

1. In the Digital Orchestra, four groupings of operating-model elements must be orchestrated to execute a digital business transformation: Go-to-Market, Engagement, Organization, and Operations.
2. The “instruments” of these sections must collaborate seamlessly for success.

Blending All Elements of the Digital Orchestra

The DBT Center’s research has identified 10 areas that companies must actively consider during a digital transformation. We have grouped these 10 areas into “sections” of the Digital Orchestra (see Figure 2).

(Figure 2) The Digital Orchestra



Source: Global Center for Digital Business Transformation, 2015-2017

Orchestras are normally comprised of four sections: 1) strings (such as violins and cellos); 2) brass (such as French horns, trombones, and trumpets); 3) woodwinds (such as clarinets, bassoons, and oboes); and 4) percussion (such as the timpani and xylophone). In the Digital Orchestra framework, these sections correspond to four groupings of operating-model elements that must be orchestrated to execute the company’s digital business transformation. Within each section are “instruments” that must join forces seamlessly. Many organizations with which we have worked blame abortive transformation attempts on “siloed” initiatives across the company’s operating model – projects either not aligned to a unified strategic direction, or that duplicate other efforts.

When executing a digital transformation, companies answer key questions about how to change every aspect of their business. These elements are the piece parts of organizational change, and the mechanism by which transformation takes place. Let’s look at the four sections of the Digital Orchestra, one by one.

SECTION 1 – GO-TO-MARKET: What will your company offer, and how will you sell and distribute your offerings? Here, there are two main instruments:

1. **Offerings:** Which offerings are needed for the firm to pursue opportunities or fend off threats in the Digital Vortex? How do new digital offerings differ from your traditional offerings? Are the offerings purely digital, or do they combine physical and digital elements? Are they related to your traditional expertise and brand, or are they completely new?
2. **Channels:** How will you sell your offerings? Through which combination of channels? How will the channel strategy of your digital offerings differ from that of traditional products and services? How will you price your offerings across these different channels?

SECTION 2 – ENGAGEMENT: How will you engage differently with key stakeholders? This section has three instruments:

1. **Customers:** How will you interact with customers through digital technologies? Which types of information will you gather from them – and provide to them? How can you interact in a way that delivers maximum value (right place, right moment, right offer)? How can you understand and shape their aspirations?
2. **Partners:** How will you engage a network of partners – such as product component suppliers, professional services firms, and digital agencies – to help you develop, deliver, and support your offerings?
3. **Workforce:** How will you engage your workforce to take advantage of expertise that exists within the company when the offerings and operating model change? How can you bring in new talent? Capture their knowledge? How will your company's approach to talent acquisition and retention need to evolve?

How will you engage your workforce to take advantage of expertise that exists within the company when the offerings and operating model change?

SECTION 3 – OPERATIONS: How will you modify your company's operations to align with your target-state business models and the strategy to support these? This section has two instruments:

1. **Business processes:** How will you create new business processes, and change existing ones, to deliver new value to customers? How will you change your practices to take advantage of new sources of data? Which processes do you need to digitize or automate? How can you enable new business processes rapidly? What will it take to intervene in business processes more dynamically to optimize operations?
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Key Takeaway

Like a well-composed, effectively performed symphony, a digital transformation will engage the 10 elements / instruments *when* and *where* they are needed to drive change.

2. **IT capability:** Which new technology capabilities do you need to enable the full lifecycle of digital offerings and new business processes? Do you need new capabilities to support other aspects of operations? How will you assess your needs and deploy these capabilities quickly? How can IT enable new customer value creation by the business?

SECTION 4 – ORGANIZATION: How will you need to change your organization – in terms of its structure and ethos – to support the new operating model? This section has three instruments:

1. **Structure:** Will you need to create separate business units dedicated to developing and sustaining disruptive business models? If so, will these exist in parallel with your existing business? Will separate business units be integrated into the business or remain apart? Do you need a new organizational structure for your entire business?
2. **Incentives:** How must you alter reward systems throughout the organization? How do you need to change compensation models? How will you reward (and enforce) the cross-functional collaboration and data sharing needed to pursue new opportunities?
3. **Culture:** In the DBT Center’s dialogue with executives around the world, culture and mind-set are often cited as the biggest barriers to digital transformation. How will you change the behaviors, motivations, and perceptions of your workforce to encourage employees to embrace change?

In the DBT Center’s dialogue with executives around the world, culture and mind-set are often cited as the biggest barriers to digital transformation.

Like a symphony that is composed and performed well, a digital transformation will engage these 10 elements (instruments) *when* and *where* they are needed to drive change. Therefore, it’s important to understand that the numbers we’ve attached to the 10 instruments described above do not necessarily pertain to their sequence or priority, which will vary based on strategies being employed. Companies must prioritize areas that need change. Rarely would a symphonic piece of music involve just the sequencing of different sections – one wouldn’t play just the stringed instruments, and then just the horns, and so forth, except in a limited way where emphasis is needed, such as a solo.

As with a musical piece, a digital business transformation normally requires different organizational elements working in concert – that is, simultaneously and collaboratively. While a violin sonata can undeniably be powerful in and of itself, the playing of a single instrument is perhaps less grand in its impact than the resonance of a full orchestra performing a symphony together. Organizations that change only their offerings or their IT capability (two common approaches for firms attempting transformation) tend to realize limited impacts. The best transformations – those with the highest chances of success and that deliver long-lasting results – are holistic, encompassing the company’s entire operating model.

While the motivation for transformation is digital disruption and the competitive threats and opportunities that it brings, the orchestral response may or may not be digital in nature. For example, an adjustment in employees’ roles and responsibilities that results from changes in processes and structure is likely to be completely analog. A Swiss watch company may decide to transform the way it sells its products by adding an e-commerce channel, but at the same time, it may choose to eschew any digitization of its products, preferring instead to maintain a traditional look and feel.

As with a musical piece, a digital business transformation requires different organizational elements working in concert – simultaneously and collaboratively.

Developing Proficient, Versatile Performers

Although musical selection (value drivers and response strategies) are critical, the Digital Orchestra’s success ultimately hinges on the proficiency and versatility of its players.

To perform at a high level, an orchestra’s musicians must continually hone their craft – individually, and with other members. If any musician

Key Takeaways

1. The best transformations are holistic – encompassing a company’s entire operating model.
2. Although the motivation for transformation is digital disruption, the orchestral response may or may not be digital in nature.

Key Takeaways

1. The Digital Orchestra's performance hinges on the proficiency and versatility of its players.
2. Success in the digital world requires agile capabilities: hyperawareness, informed decision-making, and fast execution (digital business agility).

has weak technical fundamentals or lets his or her skills slip, the whole orchestra suffers. For example, IT people must be aware of new systems and architectures that can allow for the creation and support of digital capabilities. The HR organization must be able to leverage tools to actively recruit, motivate, and retain new, digitally savvy employees, as well as to retrain existing ones. Thus, each musician must have deep individual skill, and ensure that this capability is kept up to date. Functional excellence is the “musicianship” of the orchestra – the ability to execute at an elite level.

Orchestra members must also be skilled and nimble enough to play several different styles of music – from Baroque to modern compositions – during a season of performances. Success in the digital world requires agile capabilities: hyperawareness, informed decision-making, and fast execution. These three elements must be razor-sharp so that companies can continually mix and match approaches to deliver new forms of value. Just as an orchestra may be called upon to play a Mozart symphony one evening and an Indonesian gamelan composition the next, firms will need to pursue different strategies in the Digital Vortex over time. In this sense, digital business agility equates to the “versatility” of the orchestra – the ability to respond as the song sheet changes.

Functional excellence is the “musicianship” of the orchestra – the ability to execute at an elite level.

Capturing the Best Digital Symphonies

The “Digital Orchestra” will be the centerpiece of the DBT Center's research agenda in years two and three of the IMD-Cisco partnership. The project will profile companies that have made successful digital transformations – and that are using digital technologies and business models to create customer value and make money in new ways, or to counter disruptive competition. In other words, these companies composed and then performed great symphonies. We will explore how they set their strategic direction, and how they executed it by having each section of the orchestra play its part at the right time.

As part of this effort, we will perform extensive research to help companies quantify each of the value components – cost value, experience value, and platform value – associated with digital transformation. What is the true financial impact of combinatorial disruption

(blending various business models to deliver new levels of value to customers)? Which companies are already disrupting their industry (and others) through combinatorial disruption, and to what degree?

Disruption comes with some degree of business risk and a heavy dose of ambiguity. Without a clear understanding of where the highest-value opportunities are, incumbents' responses to the Digital Vortex may not align to a significant business opportunity, often amounting to mere "science projects" that may be well-intentioned or sound cool, but do not ultimately improve competitive standing. We believe that too much attention has been paid to highly visible but often superficial examples of digitization, such as innovation incubators and accelerators, digital product extensions, apps, and collaborations with startups. These activities may bring value, but are ultimately bit players in the transformation story. Far less attention has been paid to the more important and challenging task of transforming the core of the organization. How do the best companies cope with the uncertainty inherent in disruption, quantify the potential upside (and downside) of new business models, and develop business value cases to guide operating-model orchestration?

Too much attention has been paid to highly visible but often superficial examples of digitization.

Through in-depth interviews with senior executives, the DBT Center's research will produce a series of case studies and transformation models, while distilling insights that all companies can apply. Although each company will have its own symphonies to compose and perform, these insights will help them learn from the successes (and occasional missteps) of these transformation pioneers.

Our research will examine how these companies composed their unique symphonies, and then what it took to play the music beautifully. We will examine how they changed their business models in response to new threats and opportunities, along with the sequencing of operating model changes and their substance. Like the Digital Vortex, the Digital Orchestra is a simple framework to conceptualize complex change.

First, though, let's understand the transformation process itself – including its critical success and failure factors – and the lessons we can draw from one leading organization that has already orchestrated bravo performances: McLaren.

Key Takeaways

1. Without a clear understanding of where the highest-value opportunities are, incumbents' responses to the Digital Vortex may not align to significant business opportunities..
2. Not enough attention has been paid to the essential and challenging task of transforming the core of the organization.



About McLaren Applied Technologies

McLaren Applied Technologies helps companies benefit from the natural convergence of data management, predictive analytics, and simulation. The result is high-performance design of products and processes.

Built on decades of success in Formula 1, McLaren Applied Technologies applies its knowledge, expertise, and experience to deliver measurable results across industries – from motorsport and automotive to energy and healthcare.

As part of the McLaren Group, McLaren Applied Technologies is uniquely positioned to capitalize on progress made within the broader business. This allows it to solve a wide range of challenges through the interplay between high-performance engineering and advanced electronic technology.

McLaren: Playing Digital Symphonies Across Industry Lines

McLaren, the British Formula 1 team and manufacturer of high-performance road cars, has orchestrated a transformation that has allowed it to thrive both inside and outside its own industry. The company has a rich history of performance and innovation. For example, it was the first company to introduce carbon fiber into Formula 1 cars. Although McLaren was initially ridiculed for replacing steel and aluminum with lighter composite materials, other Formula 1 teams began to take notice when the company started accumulating race victories. Indeed, this innovation and others heralded a golden age for McLaren as it attracted the best drivers, including Ayrton Senna, Niki Lauda, Kimi Räikkönen, and Lewis Hamilton, and racked up dozens of driver and constructor championships.

However, following decades of success, McLaren began to struggle in the late 1990s and early 2000s, both on and off the track. The cost of running a Formula 1 team was stretching the company's resources. So, McLaren decided to create a separate group, named McLaren Applied Technologies, to explore the use of the company's processes and technologies in other fields. The idea was to leverage the vast sums of money spent on technology development for racing and apply them to solving problems and creating value outside the motorsport industry.

The idea was to leverage the vast sums spent on... racing and apply them to... creating value outside the motorsport industry.

Many of McLaren's capabilities were "physical," emphasizing lightweight materials, aerodynamics, power, speed, and performance. However, the company had also built up a portfolio of digital capabilities, many of which emanated from a 2017 decision by Federation Internationale de l'Automobile (FIA) to ban on-track testing. This move forced Formula 1 teams like McLaren to develop advanced digital simulation capabilities that included three distinct components. First, data needed to be captured in real time. This data came from sensors in the car, on the driver, around the track, and from external sources, such as weather information providers. During the 2016 U.S. Formula 1 Grand Prix, for instance, McLaren's leadership told us it captured 243 terabytes of data that could impact race performance. Second, the data needed to be fed into advanced data models for analysis.

These models had to be carefully designed and continually adjusted. Third, potential strategies based on the data models needed to be built and tested depending on changing conditions. In a typical race, McLaren indicated it would run 2000–3000 simulations (potential strategies) each second, so that if a crash occurred on the first corner of the race, the appropriate “pre-made” strategy could be implemented immediately, saving valuable time.²

These three capabilities map closely to the elements of digital business agility described earlier. Collecting data in real time from multiple sources is an example of hyperawareness. Building data models to analyze the data and provide recommended actions is an example of informed decision-making. Finally, running simulations – including developing thousands of strategies that can be implemented in real time based on changing race conditions – is an example of fast execution.

The company realized that this data collection, modeling, and simulation capability could benefit firms across many industries. McLaren Applied Technologies has built a robust consulting practice, first moving into high-performance sports and helping team Great Britain win medals in cycling, bobsled, and skeleton. Since then, McLaren has shifted its focus to industries far removed from racing.

The company realized that this data collection, modeling, and simulation capability could benefit firms across many industries.

For example, the company has designed health-monitoring systems for stroke victims and amyotrophic lateral sclerosis (ALS) patients; created a scheduling system for London’s Heathrow Airport that reduces flight delays; and worked with some of the world’s biggest oil and gas companies, pharmaceutical conglomerates, data-center operators, and sports brands.³

The success of McLaren Applied Technologies was not guaranteed; it managed to enter industries and markets where the organization had little pre-existing knowledge, and almost no brand identity beyond the company’s reputation in Formula 1. It developed new products and services, and created significant value for clients – all of which was possible only by playing many different instruments, across all sections of the Digital Orchestra.

Key Takeaway

McLaren Applied Technologies’ data collection, modeling, and simulation capabilities align closely to the components of digital business agility: hyperawareness, informed decision-making, and fast execution.

Key Takeaways

1. McLaren Applied Technologies successfully entered industries and markets where it had little pre-existing knowledge or brand identity.
2. It accomplished this by playing many different instruments, across all sections of the Digital Orchestra

The primary orchestral sections and instruments that McLaren Applied Technologies engaged for its digital transformation were:

GO-TO-MARKET – Offerings: The company turned an innovative capability from the world of Formula 1 into a whole new set of data collection, modeling, and simulation services. Its offerings ranged from physical products, such as connected golf clubs and bicycles, to digital services, such as optimization improvement projects for manufacturing lines. The company’s “sweet spot” was providing advice to improve performance in situations characterized by massive amounts of constantly changing and unpredictable information.

GO-TO-MARKET – Channel: McLaren decided to price its product and service offerings in a nontraditional way. Instead of the standard consulting practice of charging for time and materials or offering a fixed price, McLaren Applied Technologies decided to charge by sharing in improvement benefits, such as cost savings or a share of new revenues.

ENGAGEMENT – Customers: McLaren Applied Technologies sells to completely new sets of customers, including pharmaceutical firms, the public sector, professional services firms, and manufacturers. For example, a major healthcare provider worked with the company to develop a system for collecting real-time data from patients. The result was quicker, more accurate diagnoses.⁴

ENGAGEMENT – Partnerships: McLaren Applied Technologies partnered with companies like the British Olympic Committee, KPMG, and GSK to develop its offerings. In some cases, as with pharma, it required a close partnership to develop or refine analytics capabilities to fit customers’ needs.

ENGAGEMENT – Workforce: McLaren Applied Technologies needed to supplement its legacy expertise in motor racing with new capabilities in data analytics, industrial design, and non-racing industry expertise.

OPERATIONS – Business Processes: As it was so different from the Formula 1 business, McLaren Applied Technologies required a new set of business processes to bring its offerings to market, promote and sell them, and so forth.

ORGANIZATION – Structure: McLaren Applied Technologies was set up as a separate business unit to pursue new lines of business. The unit has become McLaren’s fastest-growing and most profitable company.⁵ It is organized in cross-functional teams by industry, where industry experts work alongside designers, engineers, and data scientists. While McLaren Applied Technologies has full autonomy over its operations, it is still located in McLaren’s head office complex, where it can benefit from the experience and deep capabilities of the racing team.

ORGANIZATION – Culture: The fast-paced and performance-focused culture of Formula 1 still permeates McLaren Applied Technologies, but it needed to be adjusted for the purpose of building a consulting company with many varied interests. As the company hired engineers, designers, and data scientists from outside the world of motor racing, McLaren Applied Technologies began to develop a culture of its own.

So, all four sections of the Digital Orchestra, and eight of the 10 instruments, figured prominently in McLaren Applied Technologies' digital transformation. While other instruments were probably also included in one way or another, it's the main orchestral sections / instruments, and the sequence, that really matter. We'll unpack many more such examples – in greater detail – in the months ahead.

Composing & Performing Your Digital Symphony

The analogy of an “orchestra” helps us conceptualize how companies need to execute their digital transformation. To perform their “symphonies,” Digital Orchestras must first set their strategic direction, which comprises two key elements: 1) the kinds of value (“music”) they want to create, and 2) the specific strategies (“orchestration”) they will employ (i.e., whether defensive or offensive in nature).

In addition, the “players” need musicianship (deep domain skills and knowledge) and versatility (digital business agility) to deliver compelling and varied performances. Company leadership plays a key role here – setting the strategic direction, developing the players' skills and adaptability, and orchestrating a broad range of symphonies in the volatile Digital Vortex.

Above all, a successful digital business transformation demands that all four sections of the Digital Orchestra – Go-to-Market, Engagement, Operations, and Organization – work in concert to transform the company. Without a seamless blending of these sections and their various elements, the result will be disharmony and failure.

Your competition is already creating its symphony and tuning up its orchestra. Is your company prepared to compose and perform its musical score – to become a transformation virtuoso?

Key Takeaways

1. To perform their “symphonies,” Digital Orchestras must first set their strategic direction.
2. In addition, the “players” need “musicianship” (deep domain skills and knowledge) and versatility (digital business agility).
3. Successful digital business transformation demands that all four sections of the Digital Orchestra work in concert to transform the company.

Endnotes

1. According to recent DBT Center analyses, only 23 percent of the total value in the digital economy is associated with cost reduction, efficiency improvements, process speed, and quality. By comparison, employee productivity and innovations delivering experience and platform value (realized through new go-to-market and monetization models) represent the largest opportunity: 64 percent of the total digital value. The remaining 13 percent of the value opportunity is driven by risk and compliance (9 percent) and sustainability (4 percent).
 2. Source: *Forbes*, Nov. 13, 2014, <https://www.forbes.com/sites/frank-bi/2014/11/13/how-formula-one-teams-are-using-big-data-to-get-the-inside-edge/#6bf39b625588>
 3. Source: *Wired*, July 7, 2015, <http://www.wired.co.uk/article/mclaren-technology-innovation>
 4. Source: <http://cars.mclaren.press/company/technology-company>
 5. Source: *Wired*, July 7, 2015, <http://www.wired.co.uk/article/mclaren-technology-innovation>
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