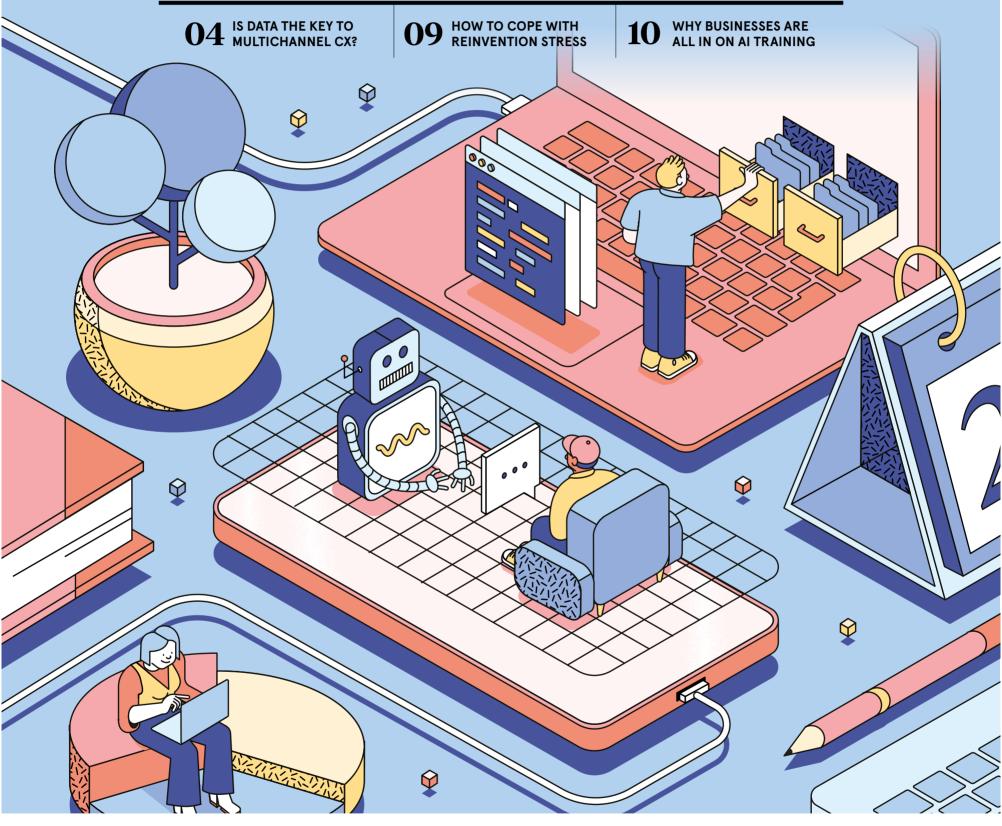
Raconteur

DIGITAL TRANSFORMATION



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DIGITAL **TRANSFORMATION**

THE TIMES



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2025 PRIORITIES

What lies ahead for digital transformation?

As they enter the final quarter of 2024, organisations are setting their digital transformation priorities for the year ahead, balancing technological innovation with financial demands

echnology is advancing at breakneck speed and firms are on a never-ending quest to keep up. The further organisations advance with their digital transformation plans, the more complex the process becomes, with pressure to prioritise everything from AI to cloud migration, data infrastructure and tech skills.

Cost will have a big impact on those priorities over the next year: at a time of evolving interest rates and uncertainty around governmental changes and global economic factors, there could be an impact on people's appetite for risk and investment. An element of caution is needed, especially with AI, says Marcus Bonner, chief technologist. Packard Enterprise

"Many companies are eager to apply AI solutions, but they should remember that not every problem is a nail and AI isn't always the hammer," he says.

Businesses will also reconsider cost in mind, Bonner says. "The cloud is increasingly seen as a capability rather than a location. We're and enable them to select only the starting to see some of our customers conduct AI research in the public cloud but host production and to deliver a national dataset to the R&D on-premises to reduce costs."

For many organisations, AI will continue to dominate the digital next 12 months. However, the focus will likely shift towards data ownership and quality, which lies at the that deliver the same data but with core of successful AI deployment.

In the coming year, organisations must prioritise data management across all levels of the business, explains Eamonn O'Neill, CTO and co-founder of software-enabled services provider Lemongrass.

"The realisation that 'garbage in, garbage out' holds true has prompted investments in modern data platforms capable of managing enterprise-wide data more effectively," he says.

Firms will also have different pri orities based on the stage of their digital transformation. Ordnance Survey (OS), which provides location data and insights for governments, businesses and consumers, began its digital transformation more than five years ago in response to increasing customer demand for faster and easier access to data. This led to the launch of the OS National Geographic Database (OS NGD), IoT Analytics, 2024



which ensures higher levels of useability and personalisation, as well as 'rich attribution', a feature of OS data that provides information on things like building height and pavement width, making it easier to navigate and query.

According to Manish Jethwa, the programming interfaces and a Select+Build, give customers easier access to the new product offering we've 'productionised' the workflow market and the first time we've used

machine learning in that workflow." The firm's short-term plans include map-creation features – and building automated workflow pipelines points. "Building these pipelines structure for storing and accessing

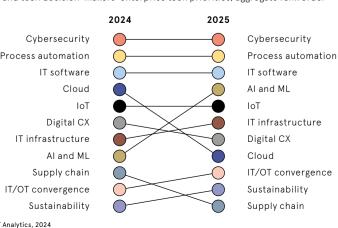
the source imagery," says Jethwa "Subsequent developments will focus on integration with machine learning tooling that can accommodate high-quality data throughout."

Cloud migration will be another priority for businesses, as many see it as essential for leveraging AI company's CTO: "New application | and defending against emerging threats. Gartner predicts that over their data infrastructure needs with bespoke download service. OS 85% of organisations will embrace a cloud-first principle by 2025.

against the risks posed by ondata they need. This is the first year | premises infrastructure. "With the advent of quantum computing, current encryption could soon become obsolete, making cloud-based quantum security indispensable," says and adaptable. But firms often falter O'Neill, "The cloud is more than just transformation agenda over the taking existing processes - such as an innovation hub; it's a critical tives with business goals. Digital defence strategy, with hyperscale providers such as Amazon Web Ser- ed merely as an IT project but as a vices, Google Cloud Platform (GCP), suitable quality-assurance check- IBM Cloud and Oracle offering the latest tools and protections to to fragmented efforts that don't starts with data-management infra-secure enterprises in an increasingly complex threat landscape."

CYBERSECURITY IS STILL PRIORITY NUMBER ONE

T and tech decision-makers' enterprise tech priorities, aggregate rank order



Tech skills are vital to digital ransformation, vet according to a report from the World Economic orum, by 2025 it is anticipated that half the global labour force might need reskilling thanks to technoogical advances. Companies will need to invest in upskilling and reskilling their workforce or seek external expertise to fully capitalise on their transformation initiatives

OS has created an internal change-management team that supports upskilling teams as the com any continues its transformation ourney. "To manage the specific mplications of AI tooling in any rocess change, we have included pskilling as a key component of our mpact and risks before adoption, says Jethwa, adding that the compa AI skills ready to share their knowl edge across the organisation.

management are also essential for a successful digital transformation. Leaders must actively engage with digital tools to drive innovation and efficiency, thus setting an example The cloud provides security for others in the organisation.

Andrew Grill is a former IBM exec utive and author of Digitally Curious. He explains: "Leaders who are hands-on with technology inspire their teams to be more innovative by not aligning technology initiatransformation should not be treatcomprehensive business transfor mation. Failure to do this can lead deliver the expected outcomes." Transformation priorities will

vary according to company size and sector. "Large enterprises may focus on AI and data infrastructure, while SMEs may prioritise scalable cloud solutions," adds Grill. "Sectors such as finance and retail are likely to push AI-driven customer engage ment, whereas manufacturing may focus on operational efficiencies." Regardless of company size or sector, the success of digital transformation projects in 2025 will rest on common core principles. "An element of restlessness and a lack of contentment with the status quo is essential," says Bonner. "Be comfortable with pivoting when necessary. This may lead to failures, but these are not setbacks: they are crucial to success and long-term cost efficiency."

'Business leaders must operate in a state of agility and perpetual change'

DTX London 2024 takes place on 2 to 3 October. **Dominie Roberts**, the event's content director, provides some context for this year's expo and highlights key presenters



David Bowie of IT. You must reinvent yourself all the time.

Reed, head of platform operations at | Plus, one of the world's most prolific Bet365. He added: "Things change fast. Once-cornerstone technologies that monopolised the industry, become obsolete."

These words inspired the theme of this year's Digital Transformation Expo (DTX), which takes place on 2 to brands, including DWP, Deliveroo, 3 October at ExCeL London.

A recent KPMG report exploring the shifting concept of digital transformation reaffirmed the need for continuous reinvention. Business leaders should no longer be working towards a finite end goal through their digital efforts, but instead must operate in a state of agility and perpetual change. One of the key questions we'll be asking at this year's DTX is whether continuous reinvention is the key to operationalising digital technologies and gaining value from this transformation.

Derren Brown, Britain's leading psychological illusionist turned rable moments and experiences, author, is an excellent example of such as a retro arcade and a drone someone who has reinvented himself. He will be opening the first day of DTX to address another key theme

for this year: health and wellbeing. Burnout is rife among tech teams and conversations about workplace health are more important than ever | and customer communications, and before. Brown will conduct a keynote session titled, "Rethinking our pursuit of happiness and finding strength amidst uncertain times". This kicks off two days of conversation, case studies and collaboration | tional strategies, reimagine their highlighting the importance of human-centred transformation.

Year-round research with our com munity of technology and innovation leaders revealed several important topics, which make up the focus on people, change and process. How can teams modernise the IT stack while maximising legacy tools What's the best way to build a resilient tech stack? How can firms quantify the true cost of AI? How can leaders educate and empower non tech teams? Which skills should teams prioritise to future proof th workforce? How can leaders put peo ple at the heart of a transformation? | **Dominie Roberts** These are just some of the questions we'll explore at this year's show.

hen you work in technology, | We'll also be joined by Jaap Zuidyou've got to be the Lady erveld, Nvidia's vice-president. Gaga, the Madonna or the EMEA, Nicola Millard, BT's principal innovation partner and Piers Linney. the former Dragons' Den panellist This is a recent quote from Alan and co-founder of Implement AI. game creators, John Romero, will open the show on day two and share his tactics on mastering relentless innovation and creative evolution.

These guests join other pioneers from some of the UK's biggest Charlotte Tilbury, Centre Parcs, Direct Line, E.ON, Jaguar Land Rover, Booking.com and more. These forward-thinking organisations will nology and data to drive the digital sustainability and security at the heart of any transformation effort.

The event will consist of panels, case studies, workshops, demos, community meetups and networking parties. For those wanting some time out, this year's DTX will include a wellness space. There will also be many more unique spaces for memoobstacle course

To maximise the two days out of the office, attendees are treated to three shows in one as DTX co-locates with Unified Communications Expo. the UK's biggest show for colleague the Digital Commerce Expo, which explores the technologies revolutionising the customer experience. These three shows help organisations to rethink their current operafuture possibilities and realise their



Digital Transformation Expo



The key trends shaping the future of tech leadership

Amid a surge in first-time chief information officers (CIOs), the role is shifting from tech specialist to strategic business leader



o continue its ongoing

Over time, the position's focus has shifted from facilitating tech support to becoming a business enabler and then a business partner. But in the latest phase of the journey, CIOs have evolved into strategic value creators.

Technology is pivotal to how most organisations operate today, enabling growth, driving efficiency and facilitating innovation. As a result, business and digital strategies are converging. Because technology cuts across and

underpins all areas of business, CIOs are finding themselves in a unique position. Theirs is one of the only roles with a full view of the enterprise, including each of its functional areas and how they work. This vantage point, combined with

the advent of advanced technologies. such as Al. means all eyes are now on the CIO to provide leadership on how to harness them effectively

The emergence of new chief information and transformation officer positions reflects this shift. Now, their role is to challenge the status quo and drive innovation by steering organisation-wide change based on digital transformation.

Business leaders first and foremost To be able to do so, however, CIOs must y-minded strategic thinkers. Jean-

Modern CIOs see

business leaders

first and foremost

themselves as

utive search and interim management consultancy, Eton Bridge Partners. "We're moving away from CIOs being

echnology gurus to being digital strategists," he explains. "Modern CIOs see themselves as business leaders first and oremost. So, having business acumen, transformational leadership and com munication skills, commercial nous and an ability to create value and drive revenue stream opportunities, are all desirable qualities - while also knowing a thing or two about technology.

These broad requirements mean that having a traditional tech background is no longer the only route into the job. although it is still the most common For instance, functional directors and divisional heads made up 7% of all new appointments in 2022 and 2023 according to Eton Bridge Partners atest CIO Pathways report.

As Green points out: "We've seen ormer operations directors, finance directors and transformation directors all become CIOs without ar technical backbone. The focus here is on leadership skills rather than technical strength and depth, although ou do need to be digitally savvy to nave credibility."

Other increasingly popular path ways into the role include people with didates have often worked for the Big

Rooting innovation in commercial outcomes

As for aspiring CIOs who have followed a more technological path, Green red ommends building up their comme cial expertise over the course of their career. The report indicates that just over two-thirds of CIO appointment were external. In comparison, this i a much higher proportion of externa

ne CIO role appears set | digital & technology practice at exec- | hires than the analysis of data looking

nowledge and commercial under standing by spending time outside of the tech function," Green advises It's important to get a variety of experience, so it's common to take secondments in operations or other unctional areas to gain profit and loss esponsibilities, for example.

Just as vital though is that CIOs whether aspiring or otherwise, con inue to keep their thinking fresh and open by adopting a continuous learnng approach

"CIOs that are insular in their think ng will become obsolete very rapidly. Green says. "It's about being open to cosystems and partnerships, finding ways to challenge and remove your own piases around technology and innova

tion to stay ahead of the curve." But Green also warns against become ng laser-focused on the 'shiny and new'

"The key question is how can inno ation drive the business forward? So, t's about rooting innovation in com ercial outcomes and making sure the ght talent is on board to help achieve nese goals," he concludes.

As the role continues to evolve, CIOs nust balance innovation with business neaningful and measurable outcomes



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CUSTOMER EXPERIENCE

Savvy businesses turn to data for a multichannel edge

Companies with clear values that use data effectively can engage with their customers through multiple means, helping to win business and build brand loyalty

Sam Shaw

head to the same coffee by debit card and wait patiently to collect your drink

But what if on one of those Mondays, your phone unexpectedly pings while you're standing in the queue: "Your coffee is on us today, thanks for being a great customer."

The notification isn't from the coffee shop, it's from your bank, which has recognised your spending habit. Or maybe you're a frequent flyer with a particular airline. As you display your boarding pass, the air steward greets you by name: "Welcome! I understand you're vegetarian and I will make it a priority that your meal preference is honoured."

These are just two examples of how businesses can surprise and delight customers, simply by using data In all of their experiences, this conwell. By bringing together offline cept of storytelling should be a and online, a customer's experience | guiding principle. is elevated from an unremarkable everyday occurrence to a 'wow' moment. That's according to Anto- data or implementation design. nia JA Hock, founder and CEO of an This approach might lead to a good eponymous customer experience (CX) consultancy.

It's a common mistake to assume that customers can be wowed only nels. Hock explains, "We've all had over one channel, says Hock.

start and stop their engagement on

PRIORITISING THE CUSTOMER EXPERIENCE

very Monday morning, you | one platform, so holistic design is essential. I might find you on Tikshop. You queue, order, pay Tok, start my purchase in your app and decide to come into a physical location to complete. The 'wows' should not depend on the medium

> omnichannel strategy is setting 'standards of excellence' - non negotiables that determine how the company will approach CX, reflective of the firm's values and what they want to be known for.

eight focus areas, with an emphasis on storytelling.

"They have decided that customer storytelling has to be absolutely critical to every experience they deliver: social media, on the app, listening mechanisms or in person.

Businesses often jump straight into choosing channels, analysing app, website or bricks-and-mortar experience, but ultimately results in a mismatched CX across chanthat experience where the app is "Customers no longer typically great, but we hate going into the

Hock's first step when advising on

One client, for instance, selected ciency, emotional engagement and capability, Hock says. "Only then should you start layer-

ing in data analysis, feature sets and implementation strategies that are aligned." There's a reason CX consultancies

exist. Companies across sectors are acutely aware of a customer base that is increasingly demanding and less loval. According to ServiceNow's Con-

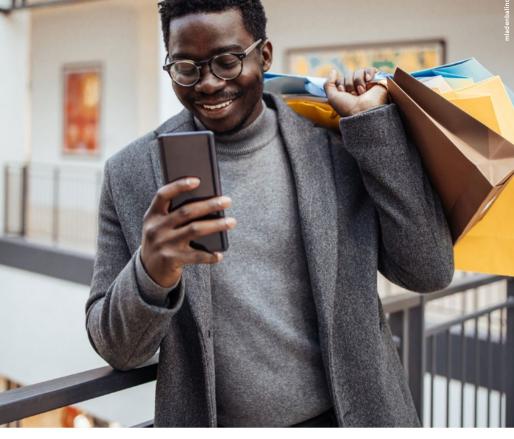
sumer Voice Report 2024, 61% of UK consumers are less loval to brands coincides with the cost-of-living crisis, but isn't just price-led.

The report says consumers are less tolerant of brands that "don't deliver exceptional experiences". Rather than suffer a subpar experience, they're voting with their feet.

Today's customers have complex eeds. For instance, consumers appreciate the benefits of AI but don't trust it entirely, so they want the option of a human touch. ServieNow's research concluded that organisations must "balance high tech with high touch" as consumers demand 24/7 convenience and realtime responses, supported by a friendly face when required.

This is the tailored experience HSBC is striving to deliver - eradicating channel siloes and being more responsive.

For Christopher Dean, managing director, customer channels at HSBC UK, leveraging data to Asda is undertaking a massive digi- to CX overhaul focuses on three outimprove customer outcomes is a tal transformation focused on priority, making them more predictive and personalised.



airlines. Or the in-person experience is great, but the app is terribly lacking - typical of luxury retail."

Holistic design is Another 'standard of excellence for this client was gratitude, a value essential. The 'wows' built into every way the clien engaged with its customers. should not depend These 'standards' or values on the medium of should be on-brand and reflect effi-

Data from a range of sources, such

social media posts, can inform those intercepts between cross-channel interactions, enabling them to nudge appropriately. Dean says. While app-based interactions

engagement

must be quick, easy and discoverable, he says, they can create a "runthan two years ago. The decline way to other channels. In-app activity can indicate financial needs where phone, video or in-person conversations are more appropriate, such as around savings, debt consolidation or wealth advice.

Irrespective of channel, Dean says the business should have only one scorecard – the customer – because in today's age of instant gratification, customers won't hang about.

In addition to undertaking traditional market research, HSBC launched an ideas hub, which invites customer-facing staff branch cashiers, colleagues in telephony or software engineers to raise pain points in the customer experience. The information fed into the hub then informs a transformation roadmap, which covers physical and virtual channels.

It's important that all company tech and digital platforms integrate. After breaking away from Walmart, omnichannel, loyalty-led, personalised customer experience. Included probably not a good investment."

in its transformation initiative is the loyalty programme Asda Rewards, which has accrued 6.2 million members in its first two years and now accounts for 52% of total sales.

Under Walmart ownership, Asda's tech was not its own to tinker with. But Mark Baxter, Asda's senio director for loyalty, is very aware of the importance of digital integration in creating a joined-up CX.

"Tech convergence is definitely in our plans," he says. "Having disparate platforms, requiring different logins that don't speak to one as call or chatbot transcripts or another dilutes the ability to under stand our customers."

> Baxter says a good integrated strategy contains five main stages and sequencing is crucial.

"It starts with setting out your scope and ambition; what do you want to do?"

Next, he says, thinking about the future is vital: "What new tech is coming down the line? How will customers be shopping differently? Then comes the rollout: "What are we going to integrate first, who will

move first on to which platform and who will follow?" The final two stages, he says, are about getting it done: "We build a workstream. Plan who is going to do what, by when and which team and resources are needed. You reevalu

ate at every point." Finally, he says, it's about deploy If not, why not? What do you need to change?

er experience isn't just for large, listed multinationals. It's a possibility for all businesses: it's just a case of scaling and prioritising accordingly

Regardless of company size, sector or geography, Hock's approach comes, "Unless you're going to drive revenue, retention or referrals, it's

What leaders need to know about business transformation in the age of Al

WNS' group CEO Keshav R Murugesh explains why the time has come for leaders to embrace Al and shares his key considerations for those embarking on their digital-led business transformation journey

taken on a new form in the Al | towards sustainable success era. As the AI hype settles, it's crucial that organisations shift from speculative excitement to actionable strategies to ensure a successful Al-driven digital transformation

WNS' group CEO Keshav R Murugesh offers expert insights into how AI is fundamentally reshaping business landscapes, outlines the tangible benefits it offers and shares the practical steps leaders should take to successfully integrate technology into their operations.

How has AI reshaped the digital transformation landscape and what are the tangible benefits that businesses can expect to realise today?

One of the greatest elements of life today is that we are constantly seeing change, which is most definitely the case with technology. As far as generative AI (GenAI) is concerned, it is completely rewiring the way businesses are approaching transformation and reinvention

The advent of GenAl means that everything must change - the tools we have used up until now will be unrecognisable tomorrow. This shift is empowering a number of enterprises to reshape their business functions and generate innovative concepts for ser- | the volume of data it's able to analyse, vices that will diversify their revenue streams and evolve their operations.

Enterprises need to look at GenAl as a tailwind for their business, as opposed to a headwind. Strategically, businesses have only just started dipping their toes in this model but momentum is growing. We've worked with clients to achieve improvements in customer experience and productivity increases of up to 40%.

As organisations prioritise internal improvements and productivity gains, they must be cautious not to neglect the additional value levers that GenAl offers, such as market expansion, innovation and revenue growth. The GenAl journey is not just about efficiency; it is about reimagining what | who can help you leverage GenAl to | their people now for long-term success

usiness transformation has | is possible and charting a course

Industries are embracing AI a Q different speeds. Are there specific sectors where Al-powered digital transformation has led to significant, practical outcome

All industries have the oppor tunity to transform their operations. Even if a process change is small, the impact can be endless. Take travel as an example. Travel management companies can now create persona ised itineraries, while also streamlining the booking process. But the real inno vation comes in its ability to predict as well as prevent travel disruption by foreseeing likely delays and reacting to this data by proactively changing plans.

On the logistics side. GenAl is helping the shipping industry contextualise millions of inbound customer queries with hyper-automation and large language models (LLMs). Businesses are now resolving incoming queries and workflows in an instant because of the speed of this technology

In banking, GenAl is having a huge impact on fraud and money laur dering detection. In healthcare, it' helping those on the frontline deliver more comprehensive care thanks to massively expediting diagnosis. These

What are the practical steps ensure digital transformation success?

Simply put, businesses need to get started. The opportunity is here and now and so leaders need to focus on creating value, not on perfecting the tech stack. This means visualising a fully Al-enabled solution and At WNS, we've made active investments working backwards from there by identifying the value-led capabilities.

In most cases, having a trusted partner with genuine domain expertise programs. Leaders need to invest in

Visionary leaders must create a clear path between GenAl vision and business value

solve operational challenges and drive strategic growth journeys will accelerate this process and put businesses or the path to success quicker.

Businesses also need to start thinking bigger. Al can no longer be restricted to small groups - all users in a business must be empowered to unleash value

While technology is often the focal point of Al discussions, the human element is just as crucial. What cultural shifts need to take place and how can organisations future-proof their workforces?

Whether it's the advent of a new technology or a major globa event, businesses and people have consistently adapted. The rise of Al will be no different. As technology continue to evolve, businesses must keep upskilling and reskilling talent. When people are properly trained, technology enables higher levels of human ingenuity in employee training and re-skilling with over 17,000 learners engaged across more than 20 curated GenAl training century will not be those who cannot read or write, but those who cannot unlearn what they have learned in the past. Businesses need to build data literacy inside their organisations. As leaders, we need to embrace Al democratisation as well as upskill employees.

> Future-proofing is a key concern for businesses today. How can organisations ensure they are prepared not just for the current Al landscape but for future advancements?

The Al journey for organisations should be built around setting the relevant goals and success measures. Visionary leaders must create a clear path between GenAl vision and business value.

Leaders must also be prepared t mitigate potential risks, whether it's security, compliance or reputational concerns. Elements of the business will need reassessment and a strong risk mitigation framework must be put

We are at a defining moment in history and the adoption of AI is not a responsibility we can shirk. Business leaders all over the world need to be asking themselves: how can we scale quickly but also responsibly?

What are the most common challenges organisations face when operationalising Al and how can these obstacles be overcome to ensure long-term success?

Organisations will need to navigate uncertainties whe

operationalising Al. The first is a common pitfall - thinking that Al will solve all our problems immediately. Leaders must remember that GenAl is a tool for innovation and not a solution in itself. The human touch behind technology will remain crucial for longterm success

This means thinking of Al as a collaborator and not a competitor. Al can help us make decisions more easily but human ingenuity will always be required. Al is a toolkit, not a quick fix.

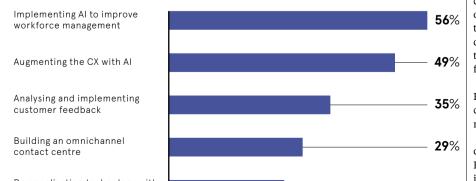
How important is a business transformation partner for organisations who are embarking on this journey?

Businesses want to focus on what they are good at. Working with a partner allows businesses to concentrate on their own industry whether that is travel or banking while their partner figures out how to everage technology effectively.

Allowing a partner to come in, make

sense of what their data is telling them and provide outcomes in a simple format, is the best way to take advan tage of technology. At the end of the day, companies often can't navigate all aspects of technology and GenAl on their own. They need a partner

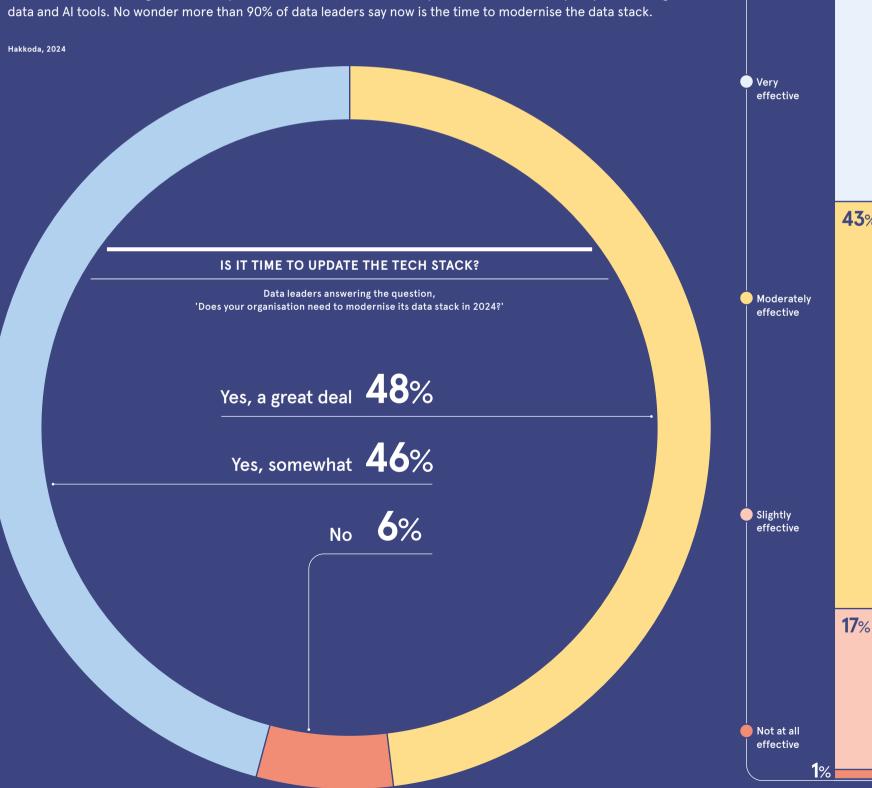
For more information



In-house CX professionals citing the following as having greatest impact on CX strategy in the next 12 months

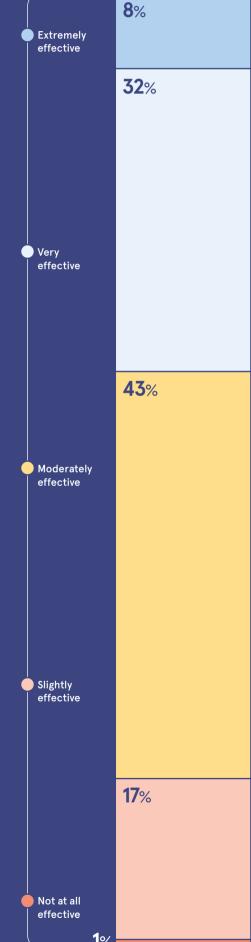
DATA MANAGEMENT STRATEGIES

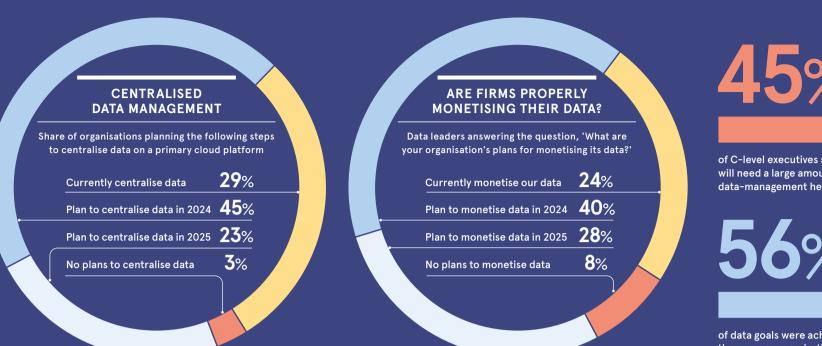
More than eight in 10 senior leaders believe the average business will not survive a decade without fundamental transformation, according to 2024 research by PwC. For many organisations, the success of their transformation - and therefore the long-term viability of their business model - will depend on how effectively they can leverage data and AI tools. No wonder more than 90% of data leaders say now is the time to modernise the data stack.



ONLY TWO IN FIVE DATA LEADERS **BELIEVE THEIR DATA STRATEGY IS** VERY OR EXTREMELY EFFECTIVE

Data leaders answering the question, 'How effective was your organisation's





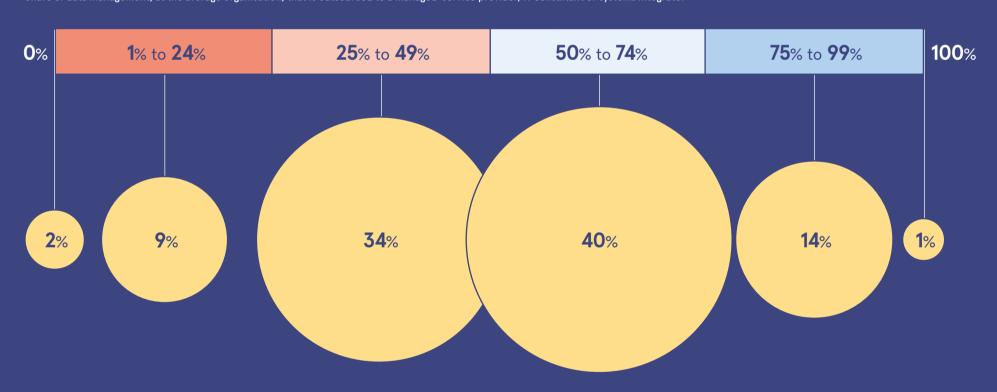




of data goals were achieved by the average organisation in 2023

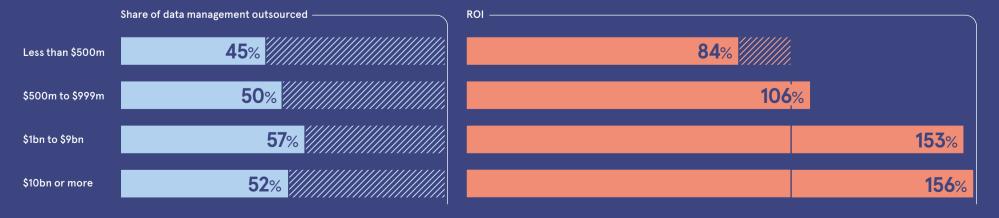
MOST FIRMS OUTSOURCE MORE THAN HALF OF THEIR DATA MANAGEMENT

Share of data management, at the average organisation, that is outsourced to a managed-service provider, IT consultant or systems integrator



ROI FOR DATA TECHNOLOGY IS ROUGHLY CORRELATED WITH THE SHARE OF DATA MANAGEMENT THAT IS OUTSOURCED

ROI from investing in data technology and tools compared with share of data management outsourced, by organisation revenue







Is your company suffering from reinvention stress?

Reinventing business models for the digital future can be stressful. Too often, boardroom misalignment leads to organisational paralysis, making it difficult to achieve transformation goals

Tim Cooper

tomer demands, executives must rethink their business been higher, says Hungerford, nor models. As they contemplate the technology landscape more transformation strategies needed to complex. She explains that in this future-proof their businesses, many

Over a third of US CEOs say their peers will be out of business within three years if they don't change their business models, according to extra layer around the impact of AI. 2024 research by PwC. More than eight in 10 say the average business | pulse yet. But you hear it in the corwill not survive a decade without fundamental transformation.

But the mad dash to transform is creating confusion and disagreement among board members about how to reinvent their companies and over what timeframe. The disbusinesses, according to PwC.

tal transformation strategy and ser- from these projects to assess where vices at Sunstar, has seen the sting it can make the greatest gains. of reinvention stress first-hand.

"I've worked on massive transformations and it's painful when I'm decentralised approach also seen the soothing reassurance | she explains.

t a time of technological | that consistent communication change and evolving cus- transparency and planning bring."

The stakes for boards have never environment, strategy misalign are becoming increasingly anxious. | ment is a serious stressor for business decision-makers.

> "Orchestrating the technology is a massive feat, plus there's now ar Boards don't have their finger on the ridors: 'What is our AI strategy? If we don't have one, what are we doing?

"The answers aren't there. AI is just It's hard to know where to start."

Hungerford suggests a 'start small, bottom up' approach. Sunsonance is an existential threat for star, for instance, enables certain business users to choose AI projects Kelly Hungerford, director of digi- and pilot them. It gathers lessons

Each department will use AI differently based on its needs. looking for communication and it's emphasises small gains can help to not happening," she says. "But I've take some pressure off leadership,

Executives, says the potential impact of AI-led transformations is | connections, downtime and doing so profound that boards are anxious about being left behind. "People are panicking," he says.

Naeem Zafar, CEO coach and

"Confusion causes them to try to implement too many initiatives, bogging down the organisation and not meeting expectations. A smarter approach is to pick one or two high-impact areas." Zafar says these existential issues

are overwhelming boards, which are already busy with other busicreating a small taskforce to outline strategies and best practices on AI.

The taskforce may include subject experts and retired or nonexecutive directors who understand how the firm functions, but are not affected by company politics. This helps the board stave off pressure and reassures them that | bosses across departments and credible people are working on a long-term strategy.

Piers Fallowfield-Cooper is a leadership mentor and author of the local and central team leaders." leadership guide Are You Still The Future? Most businesses he works transparency around plans and with are safe from reinvention stress, he says, "When I meet boards, | ment. It also coordinates knowlthey usually know what they want to | edge across teams and helps firms reinvent and how. Plus, if the board avoid mistakes like duplicated isn't backing the CEO, you either need a new board or a new CEO."

But board members and executives alike must be aware of the signs of reinvention stress, he adds. more and more data: this can actually make tasks more complicated and send them into a state of paralysis, which eventually becomes a "self-reinforcing doom spiral".

late and over-budget digital proect," he says. "They tried to achieve oo much in one big bang. It's better o agree on a solid framework, then einvent with an incrementa approach and learn by doing." Jacqui Leaman-Grey, director at

Fallowfield-Cooper agrees that

misalignment on timescales is

ommon. "I recently worked with a

client who had a jaw-droppingly

Pantheon Leadership, adds that intense pressure to change business models is heaping stress on leaders, which can lead to burnout.

"Reinvention stress occurs when people face too much complexity for the human brain to cope with," she says. "It manifests as toxic cultures, misalignment between top team members and unhealthy working behaviours. Organisations need to address this as a core piece of reinvention strategy as it's the element that causes most initiatives to fail."

There is no simple fix for workplace stress and burnout, but Leaman-Grev suggests mindfuldirector of the Alliance of Chief | ness practice, cognitive behavioural therapy, exercise, strong social things unrelated to work could help individual leaders to cope.

> To address knotty board disa greements, she recommends using specialist alignment tools that use psychological techniques to identify and solve dissonance

Hungerford agrees that avoiding major upheavals should help leaders and staff to avoid stress. She recommends a more flexible and modular approach to transformation. "Withness-critical issues. He suggests in 18 months you'll likely need to reducing the immediate burden by swap out parts of the technology and the strategy," she says.

However, she maintains that clear communication is the most important component of a stress-free business-reinvention strategy.

"Healthy organisations use so-called 'matrix approach' in which managers report to multiple geographies," she says, "For example, you might report directly to the heads of marketing and IT and into

This joined-up approach boosts strategies and reduces misaligneffort and blown-out budgets during reinvention, says Hungerford. Furthermore, businesses should

avoid spending too much time diving deep into projects, she adds. Set One is that they keep asking for aside some time to come up for air and communicate. This will help to avoid disconnected thinking.

"The longer you go without informing others about progress and strategy, the more stressful transformation becomes for the organisation. Ensuring a frequent cadence of information can help calm the organisation and is a critical part of reinvention."

How staff perceive you as a leader of change is also critical, says Hungerford. Fequent and high-quality communication can make leaders appear more part of the solution, rather than part of the problem. And that is a much less stressful position to be in.

BOARDS STRUGGLE TO OVERSEE CYBERSECURITY AND DIGITAL TRANSFORMATION

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Directors citing the following as the most challenging issues to oversee

38%

	Digito
'	Digita transformation,
35 %	innovation/nev

Cybersecurity

Capital 30%

> Successio olanning for CEO and senior

Corporate

Regulatory

20%

Contingency

Climate and considerations

considerations

Diligent Institute, 2023

Reinvention stress manifests as toxic cultures, misalignment between top team members and unhealthy working behaviours

Machine learning: big companies ramp up AI training

Large enterprises such as Ikea, WPP and JPMorgan Chase have recognised the need to offer AI training and upskilling across the organisation

Mark Walsh

company that springs to about digital transformation - especially a large-scale initiative such as educating employees on generative AI. But in April the furniture giant announced a plan to provide AI literacy training to around 30,000 workers and 500 managers

The programme offers a range of learning materials for understanding and using AI. It has already surpassed internal expectations. Training has been offered to some 40,000 employees (out of roughly 165,000 in total) through August, according to company figures.

Ikea isn't alone in its AI training ambitions. Large companies such skills, but only a fifth of UK employas MasterCard, JPMorgan Chase ees can find learning resources and S&P Global are rolling out programmes to help prepare employees across the organisation for the AI era, not just technical staff.

Behind these efforts is the assumption that many workers, from training amid rapid technological entry-level to CEO, will need to gain | change. "Organisations have to at least some proficiency with GenAI | train everybody on GenAI, but they | skills is part of the AI literacy that tools to meet future job demands.

Consider recent Accenture than 40% of all US work activity can changing with cloud computing." be augmented, automated or changed with GenAI. A World Eco- asm accompanying the launch of nomic Forum report in January ChatGPT in late 2022, a more sober includes training on AI ethics, which

kea might not be the first | revealed that 58% of employees | assessment of the technology's risks owing to AI and big data.

Despite the big success stories, progress by major companies in centric workplace has been slow. US (38%) and the UK (44%) are taking steps to train workers to use AI tools, according to a 2023 LinkedIn survey of 3,000 senior executives.

found that 61% of desk-based workers in the UK want training in GenAI. More than half of 18- to 24-year-olds are already using the time to ramp up AI training. technology to learn professional quickly at their job.

Moreover, a KPMG report in May

skills for digital business, at IDC, a lahan Erdoes, CEO of the bank's technology research firm. She highlights challenges to providing ness line, who was speaking at its still have to keep everybody up to companies seek to give employees speed on cybersecurity, data secular as a baseline for AI training. Train research, which found that more rity and all the things that are ingalso typically covers issues in AI

After the initial surge of enthusiling the use of AI.

expect their job skills to change sig- and limitations began, says Smith. mind when you think nificantly in the next five years More scrutiny was applied to its reliability, arising from LLMs tendency to 'hallucinate' – or present false or misleading information as fact - as equipping employees for the AI- well as security risks stemming from use of confidential company Less than half of companies in the data or intellectual property in AI

> cies and procedures needed to govern the use of AI, Smith says that even getting the guardrails in place

companies have decided that now is

Gina Smith is research director. IT | the future." according to Mary Cal Asset & Wealth Management busi 'Investor Day' in May.

Instruction in such foundational ethics and company policy govern

prompts or model training. Reflecting on the corporate poli

It appears, however, that many

Take JPMorgan Chase, for instance "This year, everyone coming in here will have prompt engineering train ing to get them ready for the AI of

Ikea's initiative, for instance



The uses and limitations of GenAI are often highly taskspecific, so firms should give teams the autonomy to experiment and share knowledge

> its values in how the technology is applied. Likewise, MasterCard offers hub for company-wide AI learning launched in August

Arvind Narayanan is a computer

ing book AI Snake Oil. While conceding the importance of AI literacy, he suggests that upskilling workers requires more than just literacy. "The uses and limitations of generative AI are often highly task-specific, so firms should give teams the autonomy to experiment and share knowledge," he says.

Companies are also offering more specialised instruction. Ikea, for instance, runs an accelerator programme for new digital hires with AI-related degrees to help them get the company says is meant to reflect | up to speed in their jobs.

Meanwhile, USAA, a financial services provider, which has 37,000 training on responsible AI principles | employees, relies on hackathons to such as fairness and transparency: give technical and other staff the this is delivered through an intranet | chance to get hands-on experience with AI software and try to find novel use cases for the technology.

Advertising behemoth WPP. science professor at Princeton Uni- which has long championed the use ious strategies for training staff at all levels. These range from provid- multiple GenAI platforms rather ing 'future readiness academies' online courses in various tech only reduces the possibility of bias, disciplines including data and AI – she says, but also gives employees to sponsoring a group of senior the opportunity to learn more executives for a postgraduate diploma in AI at Oxford University's Saïd Business School in 2023.

A range of organisations are assisting companies with AI training. their investment to provide AI train-These include consultancies such as | ing to staff. Accenture, which has a proprietary skills learning platform; major tech | difficult to pin down, WPP, for providers including Microsoft. Adobe and Meta: LinkedIn, through | Report that it plans to spend £250m its LinkedIn Learning service; and this year to support its AI strategy. online learning specialists such as but it's not clear if that includes AI Pearson, which in September is development skills. introducing a certificate for GenAI.

To address the significant skills gaps, roughly half of organisations | to increase 5% annually in the comsay they're relying on professional certifications from big tech firms; vear to almost £19bn in 2027. The about the same proportion are providing internal upskilling training, half that total, at £8.7bn. according to a July IDC survey of 1,269 organisations globally.

But only about 40% are doing the kind of immersive, hands-on train- grammes are still in the early stages, ing Narayanan says is most useful.



Firms have to train everybody on GenAI, but they still have to keep up to speed on cybersecurity, data and cloud computing organisation in the future.

tions are also experimenting with than focusing on just one. This not broadly across different AI systems

Whether they're hiring outside experts or finding purely internal solutions, most firms will need to up

Just how much these efforts cost is instance, says in its 2024 Strategic

IDC projects worldwide IT training and educational services spending ing years, from just over £16bn this Americas will account for almost What about the return on invest-

ment from the recent AI training push? Because most AI training pro it's difficult for companies to tout any measurable results yet. A Linke dIn report released in March found that just 4% of large-scale upskilling programmes had reached the measurement stage, based on a global survey of more than 1,600 learning and development and HR staff in September 2023.

But new skills are not learnt overnight. AI is likely to be central to future business models, so more firms may well bet that the returns they generate for training staff now will be seen in the success of the

Why businesses must go 'back to basics' to thrive in uncertainty

When tech disruption and turmoil are the new norm, core business principles win out

om disruptive tech innova ions such as generative AI to turbulent economic data spooking businesses and requiring a retrenchment of staff, it's a tough time to be a business leader

A 2023 survey by The Economist commissioned by enterprise software company Planview, lavs bare business leaders' worries: 85% of executives admit their organisations struggle to adapt to change effectively. And although nearly a third of leaders view technology as crucial for strategy implementation, there is a growing tion investments without proper plan

"Everybody is punch-drunk with change, with disruption, with the whipsaw effect of market challenges and black swan events around the world," says David Stevens, chief revenue officer for Europe, the Middle East and Africa at Planview. "Global businesses are having to respond rapidly to stay competitive while also needing to drive down costs.

Narrowed horizons

In recent years, volatility has meant strategic planning has taken a back seat. Companies used to plan on a three-to-five-vear horizon. "They're struggling to stick to a three-to-fivemonth plan right now." Stevens says.

The most successful businesses can respond quickly to opportunities but also ensure investments are realistic and aligned with their core strategic aims. This latter point requires a "back to basics" approach. But what does this mean in practice?

It doesn't mean stepping back in time and slowing the business down by applying inappropriately heavy governance and control. Rather, it means being able to rapidly compare different investment mixes against benefit outcomes, cost and organisational capacity. It also means making decisions

of executives admit their organisations struggle to adapt to change effectively The Economist, Planview, 2024



been eroded by the Covid-19 pandemic, working from home and the array of new tech available to businesses. "Boards of governors, boards of directors, CEOs and CFOs are all starting to demand a nuch more connected way of making decisions," says Stevens.

Accountability at its core A key aspect of this renewed focus i

the shift from project-based thinking to product-oriented investment strategies. "It's starting to think about funding products and customer outcomes, not funding projects which discretely don't deliver value." Stevens explains. This perspective allows for a more holistic view of how various initiatives contribute to overall business value - and a better understanding of what to prioritise.

'Back to basics' also means companies must adopt "a much more agile approach to funding" and not be afraid to call an end to pilot projects that fail to meet expectations, says Stevens. Iterative funding approaches allow businesses to be more responive to market changes and custome demands, without committing vas esources to projects that may becom obsolete before completior

Leaders don't need to decide between fostering innovation and naintaining operational efficiency. Although agile methodologies have become widespread, implement ing them alone doesn't make a bus ness more agile in its thinking or value delivery. "The ability to innovate more quickly, but at the same time be much more efficient in how you deliver, is the perfect combination that businesses are striving for right now," says Steven

A strong business framework

Strategic portfolio manageme (SPM) can provide the framework t with the overarching goals of a busi ness. It brings confidence back to deci sion-making. SPM provides a "single pane of glass" across a business, says Stevens, giving visibility into investnents, processes and their impact on customer value. That approach allows companies to quickly identify ineffi ciencies and make informed decisions about where to allocate resources for naximum impact.

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It's an approach that Planview provides to its customers using its SPM echnology solution. One Planview customer had to rapidly reformulate and repackage many products when its raw material supply chain collapsed lue to Russia's invasion of Ukraine. The company was able to quickly pivot resources and funding from new product development to these busi ess-critical priorities

While that may once have been a rare ituation, such disruption has become the new norm for most businesses. As a esult, firms have to learn to adapt. They can only do this if they are able to blend nature analysis with speed and agility "Business agility is key to surviving in this ew world," Stevens says. "I don't think any of our customers believe there's ever going to be a return to business as usual, and transformation is an ongoing

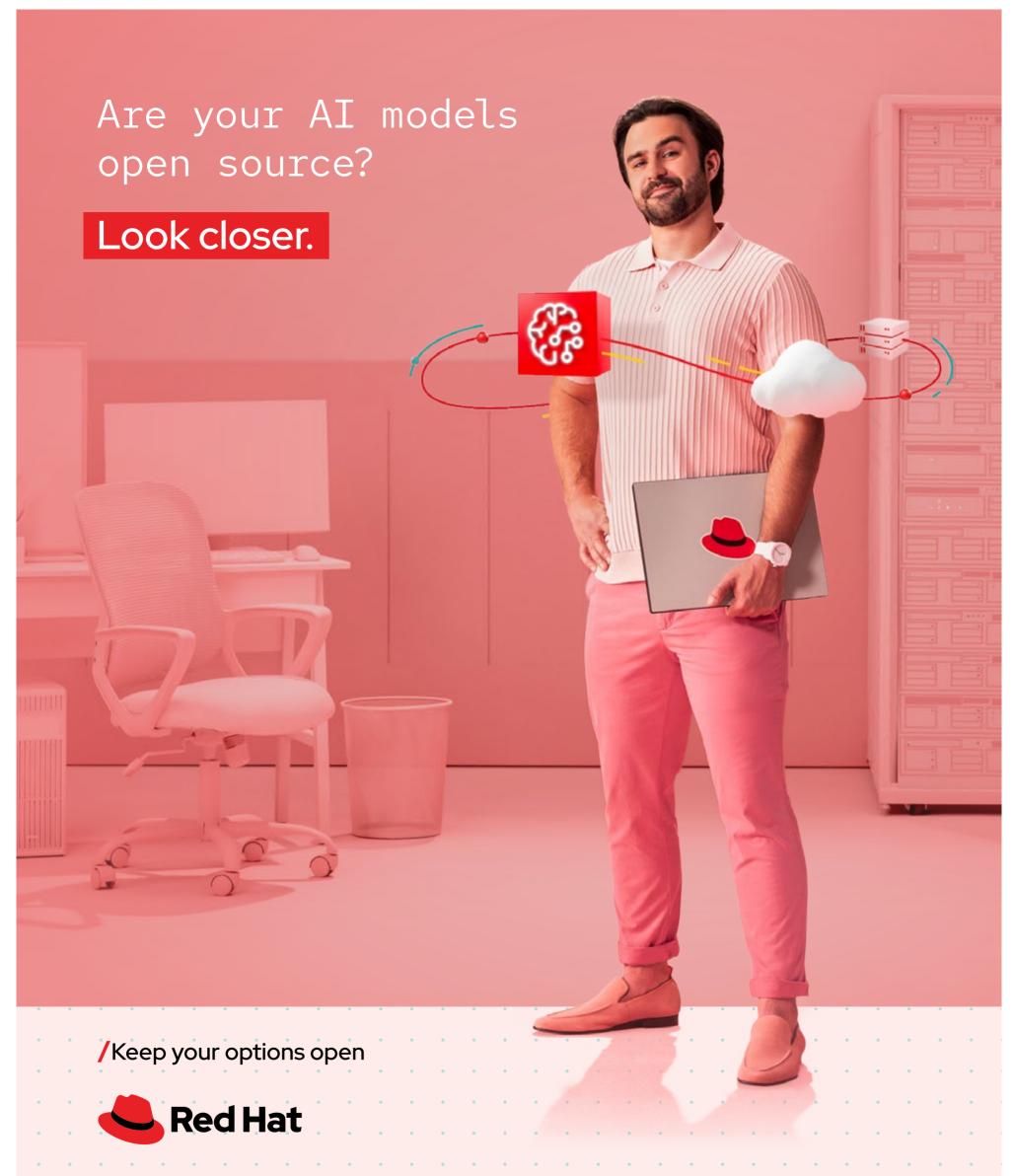


Planview drives





Low transformation
Moderate transformation
High transformation **37**% 100% 46.7% 40% 55.6% Senior level Mid level Entry level **7.4**% **13.3**%



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