



DIGITAL GOVERNANCE

QUESTIONS FOR BOARDS AND EXECUTIVE TEAMS

Inspired by
Expert Roundtable and Executive Panel 2019

DIGITAL GOVERNANCE

FOOD FOR THOUGHT FOR BOARDS OF DIRECTORS AND EXECUTIVE TEAMS

GOVERNANCE

- Does the Board of Directors understand the strategic implications, the operational challenges and the organizational requirements for an effective and value-added design of the digital transformation?
- Has a constructive dialogue on an equal footing been established between the Board of Directors and the Executive Team on the topic of digital transformation?
- Does the Board of Directors increasingly prioritize the strategic and operational issues regarding the management of the company's digital value creation and the range of services offered?
- Do we have the appropriate operating model for an effective digital transformation? Do our processes also scale beyond company boundaries, are we open to competition and able to integrate third-party services seamlessly into our value chain?
- Is the Board of Directors aware of the fact that for the provision of services in the digital networked economy, eco-systems have to be deliberately identified, established and managed? Are our systems, interfaces and mindsets agile enough for this?
- Has the Board of Directors arranged for the reassessment/revision of the risk map? And is there a cyber resilience that goes beyond cyber security to take a comprehensive approach to protecting the company from cyber-attacks and to ensuring and resuming operations after attacks have occurred?
- Does the Board of Directors promote and demand from the management the skills that are important in the digital world, such as lifelong learning, networked thinking, curiosity and agile behavior? Does it check, assess and incentivize the management, especially with regard to these particular skills and potential?

BUSINESS MODEL & STRATEGY

- Do we have an idea of what our business model will look like in two to three years' time, and are we open and reflected to innovations in technology and business models, agile principles and the corresponding organizational development?
- With regard to our current strategy, are we in a position to develop and scale new business models and replace old ones by new ones in a timely manner? What is the contribution of the Board of Directors and Executive Team to this?
- What does the strategic importance of the digital transformation mean to us? Do we see it as a driver for innovation and growth? As a means of defense against disruption? As a source of efficiency gains?
- Does our strategic plan contain specific transformation goals? Do we measure progress continuously, and are corrections made promptly and consistently?
- Which customer problems do we solve today and tomorrow? Do we understand how we will create value for our customers in the future, and what mindset is necessary and what operational setup best suited for this?
- Are our intentions, goals and plans big and ambitious enough for transformation and renewal to be not only desired but necessary?
- Are we aware of the fact that learning is the new knowledge, and are we learning fast enough as a management team and as an organization? Do we sensitize employees to learning and do we provide the relevant learning structures?

CULTURE & ORGANIZATION

- Do we understand and live the digital transformation as an attitude based on iterative, empirical, interdepartmental, concentrated and continuously improved work?
- Are we aware of the fact that the transformation to an agile and innovative enterprise does not simply mean another project, but a journey of at least two to three years? And that it requires a fundamental renewal of the "operating system" from within?
- Are the purpose of our company as well as the short and medium-term priorities and goals clear and so strongly anchored in the organization that the culture change can be driven bottom-up and still remain goal-oriented?
- Do we place more emphasis on customer focus than on internal processes? How does our culture support initiative, decentralized decision-making and learning at all levels? How do we increase our learning speed and adaptability - as individuals and as an organization?
- Does our culture create the anxiety-free space that is important for effective transformation?
- Are we able to really let go instead of putting projects in a straitjacket of fixed scope, time and budget? Are we able to work openly as long as the direction and progress are right?

LEADERSHIP & MANAGEMENT

- Is it not only the organization and the teams that are changing, but also the top management, by focusing more on communicating the "what" and the "why", and by leaving the "how" to the organization?
- Does the top management respect, promote and reward the principles of teamwork, autonomy and letting go, and does it follow these?
- Do we value and reward behavior patterns such as cooperation, curiosity, flexibility and proactive learning in the same way as professional or industry-related skills and experience?
- Do we know what leadership qualities we will need in the future to master the transformation, and do we have a system of management selection and development in use that takes this into account?
- Does the topic of digital transformation take up enough space in our management agenda?
- Do we measure and reward desired behavior and do we reward the necessary preliminary work (letting go, overcoming silo thinking, learning, customer focus, creativity, cooperation, ...)?
- How do we ensure that the operational business does not become so dominant as to leave no room for the transformation towards a more innovative and agile organization (for employees and managers)?
- How can we improve the organizational architecture and management model to make the transformation more successful? Where do today's processes and systems get in the way?

HUMAN RESOURCES

- Is it easy for our employees to start an initiative or change a process together with their colleagues?
- Is our working environment conducive to innovation? Do our premises, furniture and infrastructure encourage and support inspiration, creativity, cooperation, exchange, contact, ...?
- How do we ensure that we are not only able to attract the best talents, but also to provide them with the freedom of doing things their own way?
- How do we select our employees? Do we check the skills that are important for transformation - and the evidence that these are being used productively? During the recruitment process as well as later on regarding promotions, nominations, etc.?
- Do we encourage the skills that are important in the digital world, such as lifelong learning, networked thinking, curiosity and agile behavior? Do we check candidates particularly for their potential in these areas? Do we manage (collect, share and multiply) collective knowledge, and are we attractive as a company for top talents and for the knowledge society?
- How do we increase our collective knowledge? How do we encourage the spontaneous exchange and combination of knowledge among our employees?
- How do we detach ourselves from traditional/socialized thought-patterns? Can we move from the traditional "command and control" mode to cooperation on an equal footing?
- Do we know the skills and experience we need to deliver the services of tomorrow? Do we have access to this talent market, and do we maintain relationships with the relevant universities and educational institutions?

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