The Journey to Digital:
You Are Further Along Than You Think

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In today's world where data and speed count for everything, the clear majority of industrial companies are racing to "go digital" in one way or another. This great leap into the digital space remains high on the priority list for current and next-generation business leaders across the C-suite. According to a 2016 McKinsey study, the U.S. economy operates at only 18 percent of its digital potential. As leaders continue to ask themselves where their own organizations are on their digital journey, the ubiquity of articles, conferences, and consultants with a digital focus can make the topic seem overwhelming. The purpose of this paper is to untangle or demystify the complexities of digital to show that there is no true starting and endpoint on the digital journey.

To go digital, leaders are confronted with significant strategic and tactical questions related to business disruption, risk-taking, and technical expertise. This often makes the entire topic seem opaque and difficult to access. For many executives, this is a daunting and seemingly impossible transition. There is light at the end of the tunnel, however. It is time to take one step back, take a deep breath, and realize that going digital is not as over-whelming as you think. ▶

> **Executives who are currently leading their organizations through the digital journey foster an environment of continuous improvement.**

When executives hear of a company going digital, it does not happen overnight. Digital is not a linear journey with a defined beginning and end. In fact, your company is further along in the digital journey than you probably think. Going digital is about driving innovation and embracing a different model to harness, activate, and commercialize the power of information. Digitization should be viewed as a journey towards optimization. At its core, it is about embracing technology and the inevitability of change.

Primarily, what does digitization really mean? Digital is just the latest model of doing business; it is the latest chapter in a long tradition of innovation. It should be looked as something like the famous operating models such as the Toyota Production System or Lean/Six Sigma. Digitization is a way to get the most out of your people, your suppliers, your customers, and your technology. In the same way Henry Ford changed the methods of production with his invention of the assembly line, digitization is just the next step in improving processes to create and drive innovation.

An introspective look at one's own organization can help business leaders assess areas for improvement; whether it is fostering a culture of collaboration, an easier exchange of ideas, improving communication methods, or changing and disseminating new processes, digitization can help optimize efficiencies. Looking at digital as the new way to conduct business is an internal change that is communicated and demonstrated from the top-down.

After embracing internal change, organizations can then look at ways in which digital processes flow outward. Using digital applications, companies can better communicate with suppliers and customers to ensure alignment among dispersed groups. Enhanced communication can utilize data to raise potential issues, eliciting a proactive plan rather than a reactive response. The transition to digitization starts with leadership. Are your current leaders equipped to lead this transformation? Executives who are currently leading their organizations through the digital journey foster an environment of continuous improvement. ▶

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In December 2015, Eric Spiegel, former president and CEO of Siemens USA, wrote, "The truth is industry will not only succeed by adapting to the shifts our digital economy will bring, but by also helping to develop talent to fill the digital jobs of tomorrow.[1]" Digitization, like any continuous improvement model, is successfully deployed through a shift in culture. Leaders who embrace constant change and strive to deliver innovative process improvement drive a culture-shift across all levels of the organization, promote prudent risk-taking, strategy reassessment, and course-correction, when necessary.

There is no end to the digital journey. Companies are constantly going digital. It is a cycle of reassessment, recalibration, and continuous improvement. The tradition of some of the most esteemed business operating models are successful due to the brilliance in the basics of leadership. As your organization moves forward in the digital journey, it is possible to take an entire value-chain with you. Your business is already on its way. And it is imperative the right talent is leading the charge. ■

1. https://www.linkedin.com/pulse/big-idea-2016-rise-digital-career-eric-a-spiegel

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