



## Growing Influence: The CDO's Expanding Role in India

Every Indian company realizes that transforming in order to succeed in an increasingly digital world is no longer optional, but is now absolutely essential.

Yet often, companies view digital transformation merely as creating new technological initiatives or using new tools for driving operational or cost efficiencies (“adopting digital”), rather than seeing digital practices as a fundamentally different way of operating with the potential to reinvent their business (“being digital”).

This raises the question: once a company commits to full digital transformation, how does it ensure that both the transformational journey and the outcomes are effective? The relatively new position of chief digital officer (CDO) clearly plays a large part. We spoke with several first-generation CDOs about this issue, and they told us that digital leaders need to embrace several practices to ensure that digital transformation permeates the entire organization:

- » Evangelize the idea of digital across the organization
- » Be prepared to redefine traditional organizational structures
- » Ensure the customer experience is paramount
- » Align talent and culture to the digital imperatives

## EVANGELIZE LOUDLY ABOUT THE BENEFITS OF DIGITAL

CDOs in India today often end up investing significant time educating stakeholders about the strategic importance of digital. This work may feel unnecessary — after all, shouldn't everyone realize why digital matters by now? — but widespread understanding and buy-in around the digital agenda is far from common. For that reason, the investments CDOs make in educating the organization about digital are crucial to a digital transformation's success.

This effort also enables digital officers to build their personal credibility through expertise-led leadership. Creating allies among senior leadership is fundamental, and timing is equally important — CDOs should participate in the early stages of strategy formulation.

And, while data and analytics should be used to support this evangelization process, the most powerful tool for CDOs continues to be storytelling. Relaying a simple but compelling story for digital transformation, and taking people along this journey with a sense of excitement, helps create buy-in.

Vineet Singh, founder and CDO at CopperBridge Media, encouraged the use of various digital maturity models in the thinking and storyboarding process. This method positions the organization on the digital spectrum and helps provide direction for the journey forward.

## BE CREATIVE WITH TRADITIONAL ORGANIZATIONAL STRUCTURES

CDOs should recognize that real digital transformation requires cross-functional collaboration, which can be hindered by the more traditional functional boundaries within typical organization structures. To avoid this, many companies have experimented with non-traditional, federated structures where the digital teams are embedded within the various functions or business lines.

Nipun Mehrotra, chief digital officer at IBM, supports this idea: "It might seem commonsensical to set up a digital organization or department upfront, so you can

help drive the digital agenda. But if you do that, you run the risk of effort isolation. You can't leverage the power of cross-functional collaboration and collective ownership unless every function and individual feels like a change agent toward truly embedding digital within the organization. The trick lies in breaking the functional boundaries initially and resetting them later in an agile manner," Mehrotra says.

Leadership is also a key element here. An influence-based leadership technique, which tends to guide via collaboration and co-creation, is more effective than a didactic, authority-based method.

At a more tactical level, digital leaders often have to craft their own job descriptions when working within traditional structures. This involves considering the overlaps and synergies with other roles, such as information/technology positions (and even marketing officers). Given the dynamic nature of the CDO role, its job description typically doesn't remain static, either. The agility demanded by the digital journey starts with CDOs being comfortable in redefining their own roles, which can evolve along with the function.

## ALWAYS KEEP THE CUSTOMER FRONT AND CENTRE

Organizations like Airbnb, Uber and Amazon, which are lauded for their successful digital models, have one thing in common — they have reimagined the customer journey. Digital officers also need to consider the ultimate customer outcome, then imagine how that can best be delivered.

CDOs need to be less concerned about the constraints imposed by existing internal systems and structures — instead, these systems should be considered aspects that need to be designed around the customer outcomes. In other words, imagine the ends, then create the means.

The customer should always be the primary focus during digital transformation, emphasized Abhay Johorey, head of digital for the consumer bank at IDFC. "Digital can now reshape every aspect of the modern enterprise,

from channels to new products with new pricing, marketing and fulfilment,” he said. “It is not another IT back-office project that will get deployed behind your firewall. Digital is about going beyond the firewall and exposing your back office to the customer. Rethink your app and website like your retail store front, and focus on design that makes it easy for customers.”

## **MAKE SURE TALENT AND CULTURE ARE ALIGNED WITH DIGITAL**

There is widespread agreement among digital officers that one thing can make or break the digital transformation effort: talent.

For CDOs, there are two key aspects to talent for digital transformation. The first relates to identifying, engaging and developing the right talent to drive the digital agenda from the front. The second concerns building digital readiness in the organization through an enabling culture.

When it comes to identifying early adopters who can act as digital catalysts (both within and outside the function), crucial qualities include the ability to handle change and ambiguity, and a risk-taking mindset with a willingness to fail fast and move forward. Learning agility and design-thinking ability are key characteristics for those who are likely to embrace and drive this journey.

“We look for people from diverse backgrounds, and not necessarily only those with tech degrees,” Mehrotra said. “Someone with a fine arts degree, for instance,

could actually be better suited in this domain than somebody who struggles to think beyond the coding space. Ultimately, candidates need to display the ability to personally reinvent themselves in order to succeed in the digital age.”

As the function evolves, digital leaders are also giving greater thought to engaging, retaining and developing this talent, with a particular focus on dynamic job roles and career shaping.

Building an enabling, digital-ready culture is the other key challenge for digital officers. Spencer Stuart’s research has shown that organizations with cultures that emphasize collaboration, learning, exploration and a focus on outcomes are able to drive their transformation agendas far more smoothly than those that focus on process adherence and risk avoidance.

Digital officers recognize that this process of change is neither rapid, nor easy. To “become digital,” an organization needs focused, multi-method and ongoing efforts — and most importantly, strong messaging and sponsorship from the top.

As Sasidhar Vavilala, head of digital revenue at the Aditya Birla Payments Bank, put it: “Test-learn-scale-iterate is at the heart of digital practice. Even with the best of intentions, traditional organizations struggle to get this right when they see this merely as a business challenge, and not a people-practice related one,” he said.

## **Conclusion**

Forward-thinking Indian companies understand that digital transformation goes far beyond adopting new technology or one-off technology initiatives. Rather, transformation requires a mindset change — being digital, in other words. The CDO plays a key role in this process, by evangelizing, redefining boundaries, maintaining customer focus and shaping talent capabilities and a supportive culture.

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