Book Review

Leading Digital: Turning Technology into Business Transformation,
George Westerman, Didier Bonnet and Andrew McAfee, Harvard Business Review Press, Massachusetts, 2014, 273 pages, INR 1250.

George Westerman is a research scientist with the MIT Initiative on the Digital Economy. He is the coauthor of the book: *The Real Business of IT: How CIOs Create and Communicate Value*, named the best IT-business book of 2009 by CIO Insight Magazine. Didier Bonnet is a senior vice-president at Capgemini Consulting, where he serves as a global practice leader and heads Capgemini Consulting's digital transformation programme. Andrew McAfee is a principal research scientist and cofounder of the MIT Initiative on the Digital Economy. He has also held appointments on the faulty of Harvard Business School. He is the author of the New *York Times* bestseller *The Second Machine Age.*

Leading Digital is a fine attempt to theorize the success strategies of companies that effectively use digital technologies to gain operational advantage, reinvent business models and reconfigure value delivery models. This book is an outcome of a research, in which the authors collected data, interviewed people at hundreds of companies, talked with executives and examined the companies' performance.

Using the knowledge synthesized from discussions with top level executives, authors portray the changing dynamics in which business operates, and advocates the need for companies to adopt new digital strategies to thrive in the new, digitally powered, global economy.

In the first chapter, the authors, based on their research, present a model that can place a company in one of its four levels, a maturity level to identify the position where a company stands in terms of digital capabilities and operationalizing them to achieve competitive advantage. The authors define a company as Digital Masters – that use digital technologies to drive significantly higher levels of profit, productivity and performance.

Apparently, the authors consider Digital Masters as the iconic role models for IT industries, which build digital assets and struggle to achieve what they propose in most instances. Authors present the relationship among digital capability,

revenue generation efficiency and profitability, giving directions to invest in digital assets.

This book is broadly divided into three parts, which discuss the strategies to build digital capabilities, build leadership capabilities and lead digital transformation.The first two parts of the book examine the two critical capabilities that constitute the DNA of digital mastery in turn. Every chapter in this book illustrate the ideas through success stories, which prompts the reader to cover the entire book in a single go, with a wonderful mix of theories and stories.

Chapter 2 focuses on building digital capabilities, nevertheless, stressing the importance of understanding the customer behaviour while laying the digital roadmaps. This chapter talks about what Digital Masters do differently to create a compelling customer experience and customer engagement, and how Digital Masters seamlessly mesh the physical and digital experience. Chapter 3 explores a far less visible, but equally important element of digital capability namely, operational process. Digital technology allows companies to break some of the traditional paradoxes of operational excellence, helping companies to build capabilities that improve efficiency and agility, power new customer engagements and enable new business models. Finally, chapter 4 discusses new business models, from reconfiguring delivery models to creating new products and services to reinventing whole industries.

This book stands out from others, giving maximum thrust on building leadership capabilities for the successful and sustainable transformation of business using digital platforms. Part II of this book discusses about the *how* of driving transformation. Here the authors describe the four key elements of leadership capability. In chapters 5 and 6, quoting success stories of Pages Jaunes, General Electric, Netflix and Pernod Ricard, the authors illustrate the process of crafting a digital vision of how the firm will be different in the digital world and then how to engage the employees to make the vision a reality. Chapter 7 elaborates digital governance, which helps to steer the company's digital activities in the right direction, turning the diverse energy of employees throughout the organization into a coherent engine that drives digital transformation forward. Governance policies and practices of familiar brands such as P & G, McDonalds, Burberry and Starbucks have been considered for understanding how to identify governance mechanisms, such as committees and liaisons, to assist in digital governance. Finally, chapter 8 examines the technology leadership capabilities a company will need to power the transformation forward: the strong relationship that Digital Masters build between their IT and business leaders,

and the way these companies use that relationship to drive change in their internal platforms and digital skills.

Part III composes of toolset, synthesized from the discussions in previous sections, provides concrete management guidance to help companies to start their journey to digital advantage. The authors present the digital transformation compass, a diagram that clearly distils the practices from Digital Masters, to help companies steer the course of this complex journey. Further chapters elaborate the transformation compass to help companies framing the digital challenge, focusing on the investment, mobilizing the organization, and sustaining the transition. In chapter 9, the authors point out the fact that 40 per cent of the respondents they surveyed cite "lack of urgency" as a major obstacle to digital transformation. Organizations react to threats instead of acting to shape the future. The authors consider framing the digital challenge the key action point to overcome the management inertia, a failure to sense the need to change. For, chapters 9, 10, 11 and 12, while discussing these four dimensions, provide questionnaires to assess the degree of commitment that companies have put to address these four dimensions of the digital transformation compass, helping companies to understand their position with reference to Digital Masters and crafting those digital strategies to take the transformational path. These chapters help companies to draw insights from the survey results and provide possible interpretations for gaps in digital strategies and steps to fill these gaps.

Digital technologies are taking new shapes and reaching into every corner of the business world – every industry, company, process, decision and job - bringing new changes in how companies are structured and led, how they function and compete. Capturing the various forces of these changes,this book identifies the DNA of Digital Masters, helping the companies to reshape their products, reinvent the business models, and reconfigure the value of delivery models.

Jose Pius Nedumkallel
Assistant Professor
Rajagiri Centre for Business Studies
Kakkanad
Kochi – 682039
Kerala, India
E-mail: josepius@rajagiri.edu

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