



Digitalizing Your Business Means Re-Imagining How It Operates

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Today's digital capabilities offer great promise for businesses big and small. But, in order to realize that promise, business leaders must be willing to drastically re-think their company's business processes. In fact, all processes must be broadened to include all related responsibilities and tasks, independent of organization design or "chain of command" and they must be redesigned independently of current work locations and physical plant.

Otherwise, the introduction of digitalized commerce technologies will only amount to paving over the cow paths!



Typically, work is delineated by division and business unit boundaries. A specific type of work is performed in one division or business unit and is then passed to the next division/unit for further piecework, much like an assembly-line. The assembly-line, given the power of today's digital technology, is becoming an unnecessary construct. The many hand-offs make the assembly-line approach an expensive, time consuming, and error-prone proposition.

Couple this with the fact that digital technology enables an organization to ignore geographical distances in the performance of work activities and you can imagine a workforce that can span the globe and be comprised of individuals that participate remotely on work teams without much impact on performance (except for the effect that lack of human contact causes).

This capability provides management with increased flexibility in defining the work environment. Remote work locations can be established to better meet customer needs. Individual contributors can be given the latitude to work close to their “customers” wherever they may be.

The ability to respond to changes in the marketplace increases as organizational design and geographical boundaries diminish. In essence, business processes need not be limited by reporting lines or geography in this kind of operating model. Indeed, the success of cross-functional teams hinges on defining business processes that know no boundaries whatsoever.

Of course there are several implications that must be addressed, including:

- Processes will need to be re-engineered, independent of current organizational boundaries. Emphasis will need to be placed on performing the “whole job” instead of only specific pieces.
- Jobs will be redefined. All attendant responsibilities and commitments related to performing the “whole job” will need to be folded into job specifications.
- The traditional organizational structure will need to be adjusted to accommodate remote personnel. Today’s command and control structure should be updated to allow greater flexibility in managing personnel and monitoring their performance.
- Management’s roles will need to change in this more flexible work environment, as well. Managers must be prepared to become less directive and to fine-tune the coaching skills that will be needed to motivate geographically dispersed personnel.
- There will be a clear need for training every employee in the fundamentals of a firm’s business processes. Personnel should come to understand that business processes are virtual by nature and that where work is performed is far less important than getting the work done right the first time.

To close, digital technologies offer great promise to businesses today. However, there’s more to the picture than fielding new systems and apps. Rather, the internal operating model of a business must be re-thought as well. To do otherwise could lead to many unintended consequences and the squandering of your digital technology investments. As always, please reach out to me directly if you’d like to explore more of the issues related to digitalizing your business. I’m always here to help.