THE TECHNOLOGY TAKERS

This page intentionally left blank

THE TECHNOLOGY TAKERS

Leading Change in the Digital Era

BY

JENS P. FLANDING, PhD

GENEVIEVE M. GRABMAN, JD

SHEILA Q. COX, MBA

United Kingdom – North America – Japan
India – Malaysia – China

Emerald Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2019

Copyright © 2019 Emerald Publishing Limited

Reprints and permissions service
Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a license permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. While Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data
A catalog record for this book is available from the British Library

ISBN: 978-1-78769-464-4 (Print)
ISBN: 978-1-78769-463-7 (Online)
ISBN: 978-1-78769-465-1 (Epub)

ISOQAR certified Management System, awarded to Emerald for adherence to Environmental standard ISO 14001:2004.

Certificate Number 1985
ISO 14001

INVESTOR IN PEOPLE

CHAPTER OUTLINE

1.	The Technology Takers of the Digital Era	1
2.	Technology-taking as a Strategy	21
3.	Create Value through Data Analysis and Behavior Change	41
4.	Playbook to Digital-era Change Leadership	61
	Play 1: Envision Continuous Change Management	72
	Play 2: Govern Technologies and Change	85
	Play 3: Engage to Sponsor and Advocate for Change	101
	Play 4: Equip People with the Skills of the Future	115
	Play 5: Measure Managers' Embrace of Technology Change	129
	Playbook Completed: The Next Frontier	143
5.	Leading Change in the Digital Era	161

This page intentionally left blank

TABLE OF CONTENTS

List of Figures and Tables *xi*

Case Index *xiii*

Preface *xv*

Acknowledgments *xvii*

1. The Technology Takers of the Digital Era 1
   - The Digital Era Defined 2
   - Technology's Price Takers 3
   - Reluctant Technology Takers 5
   - Technology-taking and the Behavior Change Delta 6
   - Changing Behavior 9
   - Value Creation in the Digital Era 10
   - Change Management Playbook for Technology Takers 11
     - Play 1: Envision – Create a Change Management Function 12
     - Play 2: Govern – Establish Governance of Technology Adoption and Adaptation 13
     - Play 3: Engage – Sponsor and Advocate for the Constancy of Change 14
     - Play 4: Equip – Train Technology-taking 14
     - Play 5: Measure – Evaluate Managers' Embrace of Technology Change 15
   - Leading Change in the Digital Era 16

2. Technology-taking as a Strategy 21
   - Digital-era Dislocations and Disintermediation 22
   - Maker, Taker, Tinker, and Tailor: The Adoption–Adaptation Strategy Matrix 23
   - Technology Taker Strategy Guiding Principles 26
     - Principle One: Consider Technology-taking as the First Option 27
     - Principle Two: Position Technology above People and Process 28
     - Principle Three: Base Management on Data 28

Plan for a Digital-era Strategy 29
Increased Interconnectivity 32
Digital-era Leadership Challenges (You Can't Lead What You Don't Understand) 33
What Is Your Strategy for the Digital Era? 34
Strategy for the Future 36

3. Create Value through Data Analysis and Behavior Change 41
What Is Value? 42
How to Generate Value 43
Value through Cost Avoidance and Reduction: Universities in the Middle East 45
Value Capture through Data Analysis: Workday and Tesco 46
Creation of New Value Streams: Electronic Health Records and Cat Videos 47
Cost Savings: United Nations and US Government Organizations 49
Resulting Behavior Changes (What Are the Data Telling Us?) 51
Data Driving Behavior Change: Lyft and Uber 51
Organizational Structure and People Permit Change and Drive Value 52
Limits on Behavior Change 53

4. Playbook to Digital-era Change Leadership 61
Continuous Change Requires a New Form of Change Leadership 62
Changing Organizational Culture 63
Building Digital-era Behavior Change Capacity 65
Virtuous Cycle of Change 66
Guide the Journey with Five Plays 67

Play 1: Envision Continuous Change Management 72
Envisioning Change 73
Develop a Business Case 75
From a Change Management Office to a CMF 76
Enabling-era Change Management Office 77
Digital-era CMF 77
Outsourcing Change Management Efforts 78
Benefits of an Internal CMF 79
CMF Responsibilities for Implementing Technology-taking 80
Manage the Adoption of Digital-era Technologies 80
Coordinate Adaptation to Digital-era Technologies 82
Challenges of Establishing a CMF 83
Enable Change with a CMF 84

Play 2: Govern Technologies and Change 85
Why Governance Matters 85
Create One Organizational Governance Structure 86
Refer to the Organization's Mission 87
Convene a Governance Committee 88
Establish Real-world, Digital-era Policies and Procedures 90
Develop a Unitary Policies and Procedures Manual 92
Foster Managerial Responsibility for Policies and Procedures 93
Make Managers Policy and Business Owners 93
Empower Business Process Experts 94
Monitor Compliance with Policies and Procedures 95
Train on Policies and Procedures 96
Communicate 97
Analyze Data and Audit Behavior 98
Ready the Organization for Change in the Digital Era 99

Play 3: Engage to Sponsor and Advocate for Change 101
More than Sponsorship Required for Digital-era Change 102
Digital-era Sponsors 103
Change Organizational Culture 104
Sponsoring Actions for the Technology Taker 104
Verbalize the Commitment to Technology-taking 105
Mandate Behavior Changes 106
Suspend Use of Outdated Processes and Require Global Best Practices 107
Digital-era Advocates 108
Creating Advocacy 109
Advocacy Actions for the Technology Taker 110
Develop a Strong Network in All Functions and Geographies 110
Model the Desired Behaviors 111
Reinforce Adaptation within the Sphere of Influence 112
Engaging Organizations in Technology-taking 113

Play 4: Equip People with the Skills of the Future 115
Invest in People to Equip Them for the Digital Era 116
Train on More than Technology Use 118
Explain the Reasons for the Change 119
Relate to an Organization's Mission 119
Build a New Mindset 120
Imbue New Habits 121
Convey a New Skills Philosophy 122
Digital-era Skills Enumerated 123
Invest in Digital-era Skills 124
Build the Skilled Workforce of the Future 127

Play 5: Measure Managers' Embrace of Technology Change 129
Measure Embracing Change 130
Hold Management Accountable 132
Measure Digital-era Competency 133
Connecting Digital-era Literacy to Individual Performance 135
Prepare to Be Measured 137
Encourage Risk 138
Accept Failure 139
Embrace Technology Change 141
Playbook Completed: The Next Frontier 143

5. Leading Change in the Digital Era 161
Joining the Behavior Change Delta with the Adoption–Adaptation Strategy Matrix 162
The Technology Taker Strategy 163
Virtuous Cycle of Change 165
Playbook Liner Notes 166
Change Leaders in the Digital Era 169
The Technology Takers 172

Bibliography *177*

Index *207*

LIST OF FIGURES AND TABLES

Figure 1. The Behavior Change Delta. 7

Figure 2. The Adoption–Adaptation Strategy Matrix: Maker, Taker, Tinker, and Tailor. 24

Figure 3. The Virtuous Cycle of Change. 66

Table 1. A Tale of Two Committees. 130

This page intentionally left blank

CASE INDEX

TECHNOLOGY COMPANIES AND TECHNOLOGIES

Alphabet
Apple
Artificial intelligence
Blockchain as a Service (BaaS)
Cloud-based technologies
Data as a Service (DaaS)
Driverless trucks
Dropbox
Enterprise Resource Planning (ERP) systems
Facebook
FarmVille
Google
GoToMeeting
IBM
Instagram
KiK
Microsoft Office
MySpace
Office 365
Salesforce
SAP
SAP Concur
SharePoint
Smartphones
Snapchat
Software as a Service (SaaS)
Twitter
Unisys
WebEx
Workday

INDUSTRIES

Agricultural commodities distribution
Airlines
Banking/banks
Digital cameras
Education
Fishing fleets
Footwear
Sharing economy
Taxis
Transportation
Truck manufacturing
Trucking
Tugboat Operators

COMPANIES/ ORGANIZATIONS

African Mothers Health Initiative
Amazon
AT&T
Blockbuster
BMW
Cargill
Charles Schwab
CHG Healthcare
Disney
Domino's
Fidelity
General Electrics (GE)
HSBC

IBM
International Atomic Energy Agency (IAEA)
International Society for Technology in Education (ISTE)
Jimmy Choo
Kodak
Lyft
McDonald's
Netflix
News Corps
Scania
Starbucks
Tata Group
Tesla
Uber
UK Government Digital Service (GDS)
UN Children's Fund (UNICEF)
UN Development Group (UNDG)
UN Development Programme (UNDP)
UN High Commissioner for Refugees (UNHCR)
UN Office for Project Services (UNOPS)
UN Women
United Nations (UN)
US Federal Trade Commission
Walmart
Wells Fargo
Whirlpool
World Food Program (WFP).

PREFACE

WHY READ THIS BOOK

If you are standing on the sidelines wondering how to jump into the digital game, this book is for you. If you have seen others pour endless sums of money into failed technology experiments and want to avoid a similar fate, this book is for you. If you are concerned that your organization may be wedded to outdated technologies, this book is for you.

We offer a proven approach for capturing the benefits of new technologies while limiting your business risk. We offer a simple strategy for winning at the technology game, by taking the best of what is available, rather than trying to invent everything yourself. By recognizing that taking on new technologies requires willingness to learn and continually change. We invite you to enjoy the journey.

IDEA IN BRIEF

Digital-era technologies lead organizations to become technology takers, the equivalent of economic "price takers." To be a technology taker is to assent to the behavior-transforming benefits of modern technologies. This playbook offers technology takers' tactics to manage change, create value, and exploit the digital era's strategic opportunities.

SUMMARY OF THE MAIN ARGUMENT

Users of twenty-first-century digital-era technologies are "technology takers," accepting of and adjusting to whatever the market offers them.

Similar to small firms that lack the market power to set prices and are economic "price takers," managers today are increasingly unable to customize the digital-era technologies their organizations use. Technology takers have little influence over the capabilities of the technologies they adopt; they cannot expect to improve on or customize for themselves the features of Facebook, Google, the iPhone, the blockchain, cloud-based enterprise resource planning systems, or other game-changing technologies.

The inability to modify available information technologies is a shock to leaders and managers alike. Cloud-based technologies arrive with set processes developed by others, and users must learn new ways of working each time the technologies themselves evolve. But refusing to adopt and adapt to digital-era technologies is increasingly not an option. Change in the digital era is constant and behavior-transforming. Leaders must respond to these changes, or they will get left behind by those who do. The constancy of change also means that organizations have to do more than launch typical, one-off change management or transformation projects to succeed.

To adopt efficiently and adapt effectively to behavior-changing technologies, astute leaders should employ change leadership techniques as a strategy for the digital era. This book offers technology takers a playbook to manage change, create value, and exploit the digital era's opportunities. The book draws on research and recent case studies to explain what it means to be a technology taker. Organizations and their managers are offered change leadership plays, which emphasize the iterative nature of change management in the digital era. The book also describes how technology-taking can create value through data stream analytics and be used to respond proactively to the challenges of the digital era.

ACKNOWLEDGMENTS

We sincerely thank our series Editorial Director and Head of Business, Finance and Economics Books, Emerald Group Publishing, Pete Baker. We are grateful to three anonymous peer reviewers of our proposal whose comments helped improve and clarify the purpose and scope of the book. Katy Mathers, Editorial Assistant for Business, Management, Economics, and Finance at Emerald Publishing, is earnestly thanked for her tireless support, as is the cover designer, Mike Hill.

Great thanks are owed to our research assistant, Kathleen Guan, for her copy editing, footnoting, and investigation skills, without which this book could not have been completed. We also appreciate the Latin expertise of classics scholar, Jonas Howard: *scientia est maior aetate*.

Our gratitude is to Claire Messina, Miguel Panadero, Mads Svendsen, Sabine Bannot, Paulo Lyra, and Daphne Moench for support and insights. Joseph Ippolito is also thanked for comments on the initial book proposal, including early foresight into artificial intelligence and related operational strategies. We are grateful to Gerald C. Anderson for sharing his leadership ideas and insights on both strategic and tactical change management tools and techniques.

Further, we are grateful to our families, who have assumed a disproportionate share of domestic duties while we were busy writing. Without the unending emotional support of our spouses, this book would not have been possible.

We are thankful to the support for this book from past and present colleagues. Importantly, the views and opinions expressed in this book are those of the authors' alone and do not necessarily reflect or represent the views of the authors' past or present

employers or affiliations. Examples of case materials within this book are examples based on limited and clearly referenced sources in the public domain. Assumptions made within the book are our own and are not reflective of the position of any of the sources cited.