7 Ways IT Can Wrestle Digital Leadership from Marketing

Digital Transformation, Collaboration, Skills Gaps, Job Evolution, Leadership, Big Data & Start-Ups

digital marketing institute

Digital transformation is impacting on organizations across every industry. A formidable agent of change, experts predict that in the next 10 years, 40% of Fortune 500 companies will be gone[1].

While five years ago, the IT landscape seemed a little bleak, the digital revolution is providing a much-needed boost as it presents new and exciting ways to interact with technology. And it's only going to become more complex as AI, VR, analytics and robotics come into their own.

So how can IT help industries gain a competitive edge in today's digital world? In this eBook, we explore 7 ways CIOs and their teams can take control of digital and wrestle it from the hands of marketing.

By the end of 2018, 90% of IT projects will be rooted in the principles of experimentation, speed and quality - IDC

1. Embrace Digital Transformation

While the ownership and implementation of digital transformation can be inconsistent, it is most likely owned by CIOs. As such, the IT department plays an integral role in its adoption, integration and execution. In fact, by 2018, 35% of IT resources[2] will be spent to support the creation of new digital revenue streams, while 2020 will see almost half of IT budgets tied to digital transformation initiatives.

Despite this ownership, many executives both in IT and across other teams feel that the IT department needs to take a more active role in transformation particularly when it comes to innovation.

At its core, the IT department can integrate digital throughout the business by helping internal departments prepare for digital transformation, promote cross-departmental fluency in digital technologies, encourage individuals to develop digital competencies, and instil a willingness to experiment.

With such a focus on investment to drive digital transformation, IT leaders and their teams need to embrace innovation. One example of a company that has achieved this to become a digital leader is Ford.

FORD SYNC 3 TECHNOLOGY

While around for decades, Ford fell behind in branding and innovation to become an outdated outfit that belonged to a bygone era. To rectify this they implemented initiatives to cut costs and increase productivity. By streamlining their IT department they re-organized the company to save millions and used these resources to create new opportunities to support growth, development, drive internal efficiency, and enable collaboration.

Their response to digital disruption has transformed them into a digital innovator with a mission to expand the business from an automaker to a mobility company. This ambitious objective is currently focused on developing a future-focused user interface experience through its Ford Sync 3 technology which allows drivers to interact with in-car technology and AppLink which connects vehicles and smartphones.

2. Forge Collaborations

With digital innovation increasingly being driven by consumer demand, a collaborative and symbiotic relationship needs to exist between IT and marketing to drive business, create more engagement and develop brand awareness.

In a landscape of constant change, marketing creates incredible opportunities for those ready to capitalize on its opportunities. As a discipline, digital marketing facilitates an expanding share of IT investment, and the interdependence between the expertise, and indeed manpower of IT and marketing departments, will continue to grow. Together, the two entities can create a powerful combination, and through collaboration, can drive more value together than they can alone.

70% of marketers and 66% of tech management executives agree that marketing technology plans will gain more support if developed by the CIO and CMO
– cio.com

However, tensions can exist between CIOs and CMOs as their roles are traditionally very different. 43% of CMOs feel that the technology department process is too slow and not aligned to the speed of digital marketing[3]. While nearly half of CIOs believe that marketing makes promises to the business without getting their agreement or buy-in.

The key to rectifying this is that both roles need to evolve towards converging skillsets with the customer at the core of their thinking. An evolved CMO needs to keep abreast of emerging technologies and be competent in analytics. In tandem, the CIO has to move away from an operation lead and internally focused vision to one of building visibility for the impact of the department's strategic business growth.

IT Innovation Champion: T-Mobile

Over the past four years, T-Mobile US has doubled its customer-base while their network has significantly expanded. One of the drivers for this success was a company-wide approach to digital transformation across all relevant departments: IT, marketing, customer service, and sales.

For the IT department, their CIO looked at how technology could fit into T-Mobile's vision and cost-effectiveness goals. Automation played a significant part, with over 83% of test scripts automated to free up time for the company's IT team while testing methods boosted efficiency. In order to facilitate this new way of thinking, T-Mobile hired experts they didn't have in-house for every stage of software development.

As a result, the IT department works faster and smarter. New processes and hiring in-house talent positively impacted on marketing and enabled a superior user experience for customers by driving personalization through targeted offers and relevant content drawn from data analysis.

In tandem with this, a new CEO was appointed who set about changing the company's culture. He did this by addressing his 50,000 employees on a personal level, insisting that every time he spoke publicly to the company all employees would be invited to watch[6].

John Legere's goal is to '"Say thank you and help them see that their behavior and work has driven the culture of the company that's changed the industry and the whole world. It's a bit of a love affair."

3. Fill Skill Gaps

According to Gartner, IT professionals indicate that their investment priorities, infrastructure changes, skills development and business-IT interactions are in flux and many executives are unsure how their IT organization will make it through any transformation.

When it comes to in-house capabilities an alarming 65% of companies believe a lack of talent will prevent them keeping up with the pace of change – 10% up on last year[4]. For CIOs and their departments, the biggest areas of concern in regards to talent are big data and analytics with 40% of IT leaders feeling pressure in this area.

Enterprises pursuing digital transformation initiatives will more than double the size of their developer resources by 2018[5], focusing new hires almost entirely on digital initiatives. Digital skills including mobile app development, analytics, and design initiatives will become the new standard for software development.

The key to filling these gaps along with retaining in-house talent is to invest in a learning and development program with the added value of certification that suits the needs of the business and staff to ensure they have the right skills across IT, marketing and customer service.

4. Prepare for Job Evolution

As the harnessing of IT technologies becomes an increasingly important part of an organization's digital marketing initiatives, the CIO needs to drive the capabilities of its team to ensure development, growth and long-lasting success. This striking shift in the landscape may mean that jobs will change and new roles will be created, or current jobs will evolve.

When it comes to evolving, a host of job roles across a variety of industries are predicted for 2017 and beyond. Due to the ever-tightening integration of IT and digital marketing, a new approach is essential.

According to industry experts, roles such as Chief Data Officer (CDO), Digital Training Officer (DTO), Cyber Security Specialist, Talent Director, and B2B Virtual Reality Engineer will prove effective for businesses in the not so distant future[7].
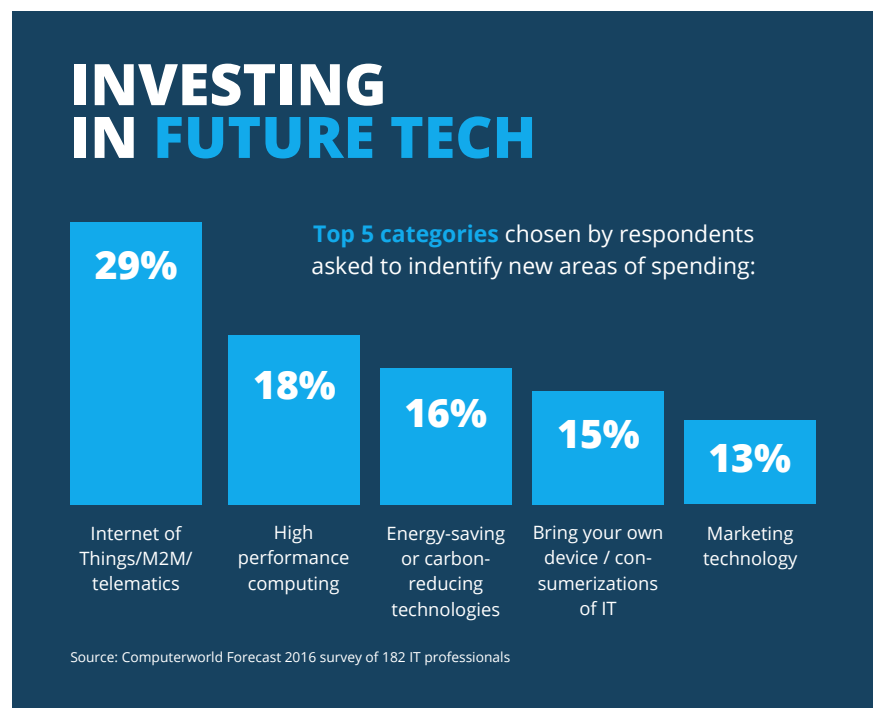
While these roles are suggestions in the current job landscape, the point is that as IT progresses and the lines are blurred between information technology and digital, businesses will have to evolve their mindset and organizational structure to thrive, succeed and survive.
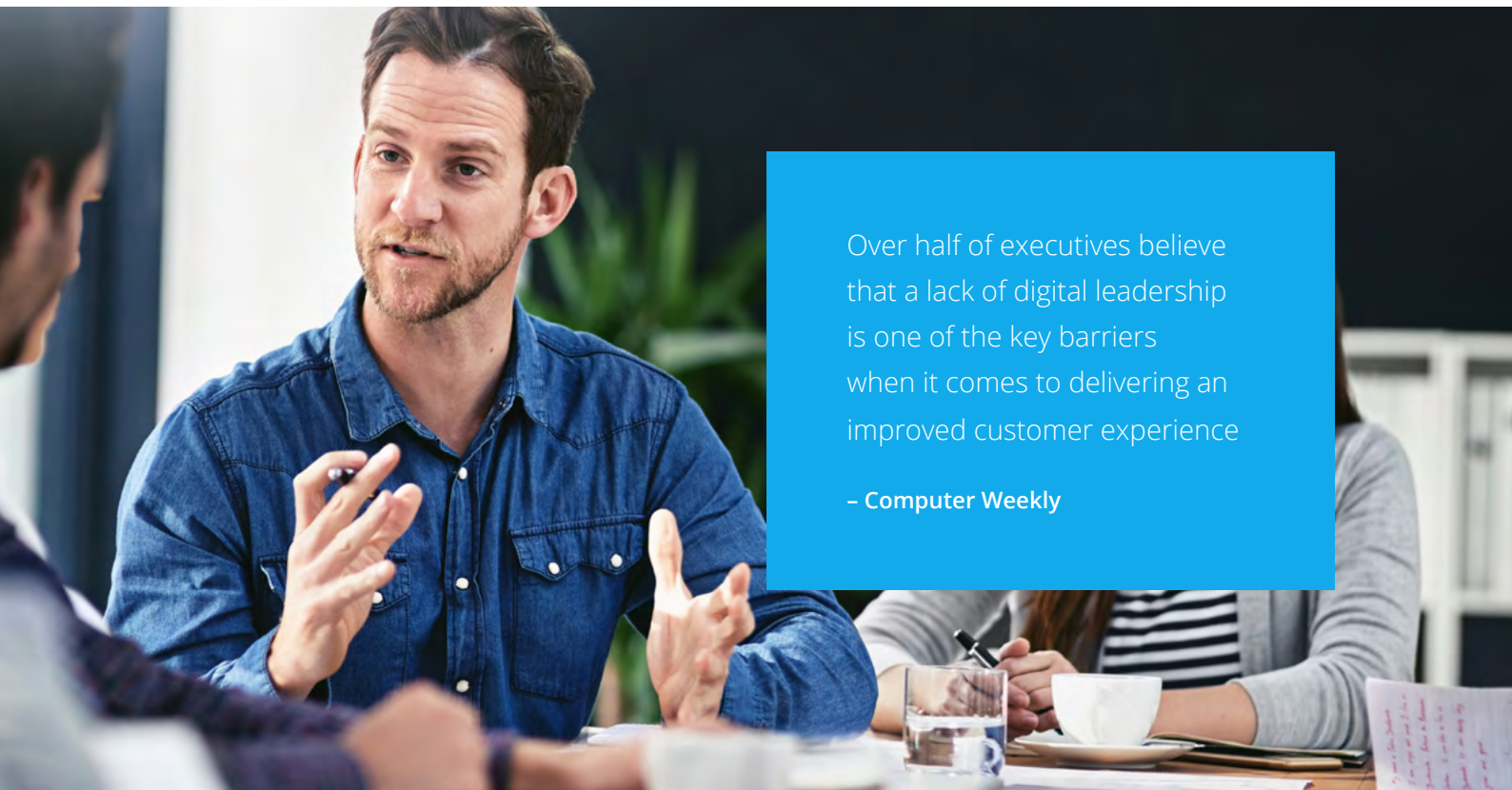
5. Promote Leadership

As CIOs take ownership of the digital transformation of their organization; innovation, agility, and vision are critical to enable true digital success.

In recent years customer experience and digital business have become the priority for organizations meaning that many are ratcheting up technology investments to execute new marketing strategies.

When IT priorities were surveyed in Computerworld's Forecast 2016, 13% identified marketing technology as a new area of spending. In addition, 16% believe improving customer satisfaction/experience was the main objective, making it the fourth most important goal on a list of spending priorities, up from last place just a year earlier.

INVESTING IN FUTURE TECH

Top 5 categories chosen by respondents asked to indentify new areas of spending:

29%	18%	16%	15%	13%
Internet of Things/M2M/ telematics	High performance computing	Energy-saving or carbon-reducing technologies	Bring your own device / con-sumerizations of IT	Marketing technology

Source: Computerworld Forecast 2016 survey of 182 IT professionals

> Over half of executives believe that a lack of digital leadership is one of the key barriers when it comes to delivering an improved customer experience
>
> **– Computer Weekly**

With customer experience at the heart of digital transformation, the IT department plays a key role in how digital their company is and the impact it can have on customers. For the CIO, while technology is integral to success, it's also about a clear business strategy, integrated operational processes and metrics to become more strategic and enable an overall view of customers in a holistic way.

In order to achieve this, leadership is key both within the IT department and across the business.

6. Manage Big Data

Big data provides large waves of information that can be analyzed to uncover patterns, trends, and associations, particularly relating to human behavior and interactions. For a business, this data can reveal a huge amount about the way people engage with a brand and business online.

Data is growing faster than ever, and by 2020, around 1.7 megabytes[8] of new information will be created every second for every human being on the globe! With so much vital data being collected, it is essential that IT departments manage the data available to ensure the marketing team can act upon the information available.

By gaining customer insights from big data, marketers can develop a deeper understanding of their consumers and apply an insights-driven strategy to the business.

The winners in this cutthroat digital realm will be the organizations that know precisely what data they need to collect and what they should do with it. Integration between IT and digital is the way to ensure an organization is making the most from the data it collects to gain that all-important competitive advantage.

By 2020 there will be 50 billion internet-enabled devices to create an interconnected 'Internet of Things'
- Cisco IBSG

7. Explore Start-Ups

In the face of digital disruption, companies can either sink or swim. Start-ups with fresh ideas and unique expertise pose a huge threat to an established company's less flexible and slower business models and global workforce. Think Nokia, Blackberry and Kodak as prime examples of companies that have fallen foul to digital disruption.

In order to combat this disruption brought about by these digitally aware start-ups, a number of sectors have started to collaborate with disrupters to use their expertise to meet and exceed the expectations of an increasingly demanding customer base.

Look at the financial sector as one industry that is driving innovation. Facing decimation from start-ups and online payment services such as PayPal and Stripe, they took to investing in innovation centers which according to Capgemini has been significant with 42% of leading financial services putting their money into innovation.

What the IT sector can learn from this strategy is that start-ups can provide expertise and insights that would otherwise be unavailable. Investing in or partnering with niche companies can provide a unique solution to a unique problem that can drive innovation in the IT department and beyond.

Accenture

In recent years big technology firms have been acquiring smaller organizations to help their business create new business models, test ideas and provide technology that makes their dreams a reality. And none more so than Accenture.

In the second half of 2016 alone, the company bought 6 creative agencies and software development firms[9]. These acquisitions and the success of its digital business make it the largest digital consulting firm based on the number of services it offers – analytics, cloud and other technologies.

By acquiring these companies, Accenture are expanding their digital teams in Europe. While the buy-out of London-based creative agency Karmarama whose clients include Unilever, Honda and Deutsche Bank sees the tech firm acquire the third largest U.K. independent agency by billings and staff.

Commenting on the acquisition, Brian Whipple, Senior MD of Accenture Interactive said: "Our immediate mission is to seek and destroy and dominate the market … We want the Karmarama DNA injected into our DNA."

By improving company-wide alignment, streamlining internal processes, and harnessing the power of digital tools, data and platforms, while adopting a forward-thinking mindset, a company can reinvent itself, remain competitive, and branch out to a host of new prospects.

IT plays a central role in digital transformation. And, those that integrate IT into their digital marketing efforts will adopt an agile, collaborative approach to the way they work and innovate.

Sources:
1. John M. Olin School of Business, Washington University, 2. Forbes, 3. Deloitte Digital, 4. CIO Survey, Harvey Nash & KPMG, 5. IDC, 6. Business Insider UK, 7. IDG Connect, 8. thegeniusworks.com, 9. bankingtechnology.com