Welcome to our latest bulletin in which we focus on digital business transformation.

In our lead article my colleague and I argue that the opportunities that digital technology now offers requires a different relationship between business and IT: a relationship that is enabled through the language of digital collaboration.

Our second article features an article written by Stephen J Andriole in which he dispels five myths of digital transformation.

Our featured book is The Palgrave Handbook of Managing Continuous Business Transformation, *which asserts that change will be the new norm and that business transformation can never be complete.*

Finally, I'm delighted to announce that our book **Beyond Default – Setting Your Organisation on a Trajectory to an Improved Future** *will be published in the UK on 7 September 2017, and in the USA a month later. You can pre-order the book* here *and download a copy of the Introduction at* www.Beyond-Default.com. *We'll keep you posted.*

As always, we welcome your feedback.

Best regards
David Trafford

About Formicio

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Setting a Trajectory to a Digital Future

In their article *Setting a Trajectory to a Digital Future* David Trafford and Peter Boggis argue that if an enterprise is serious about becoming more digital it needs to rethink how business and IT colleagues collaborate. They believe that the existing model – which has not fundamentally changed since the early days of computing – is no longer fit for purpose. As digital technologies offer increasing opportunities – and challenges – it's no longer correct to assume that the role of business colleagues is to focus solely on defining business requirements and IT colleagues on translating these requirements into IT capabilities. A more collaborative approach is required.

David and Peter argue that the new collaboration model not only needs to deliver compelling digital customer experiences as seamlessly as possible, but do so in a way that is cognisant of the resultant downstream cost of ownership and ability to incorporate future change.

Their proposal is to base this new model on a shared language that brings the respective world-views of business and IT colleagues together in constructive dialogue. They call this *the language of digital collaboration.* This is a language that covers the articulation of *business operating principles*, assessment of *operating model implications* and definition of *architecture design principles*. In the article they give examples of each.

The benefits of this language, they argue, is that it facilitates iterative – as opposed to sequential – design thinking. It enables ideas to be explored rapidly and solutions agreed more quickly than with traditional approaches. Most importantly it's an effective means for setting an organisation on a trajectory to a digital future.

Read the full article here.

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Five Myths about Digital Transformation

In a recent MIT Sloan Management Review article, Stephen J Andriole dispels five myths of digital transformation. He argues that if you understand these myths, you'll be less likely to fall prey to the hype about digital transformation and be more aware of how arduous the process really is. The five myths are:

Myth #1: Every company should digitally transform.
Reality: Not every company, process or business model requires digital transformation.

Myth #2: Digital transformation leverages emerging or disruptive technologies.
Reality: Most short-term transformational impact comes from 'conventional' operational and strategic technology – not from emerging or so-called 'disruptive' technology.

organisation's trajectory, to one that takes it beyond its default future.

Specifically we can help you **assess** your current strategy and the default future it will deliver, **develop** new strategies that reflect strategic opportunity, and create the conditions to successfully **operationalise** your chosen strategy*.*

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Parting thought

"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next 10."

Bill Gates
Philanthropist and
co-founder of Microsoft
1955 -
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Myth #3: Profitable companies are the most likely to launch successful digital transformation projects.
Reality: If things are going well – defined crassly as employee and shareholder wealth creation – then the chances of transforming anything meaningful are quite low.

Myth #4: We need to disrupt our industry before someone else does.
Reality: Disruptive transformation seldom begins with market leaders whose business models have defined their industry categories for years.

Myth #5: Executives are hungry for digital transformation.
Reality: The number of executives who really want to transform their companies is relatively small, especially in public companies.

Read the full article here.
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Handbook on Managing Continuous Business Transformation

Horst Ellermann, Peter Kreutter and Wolfgang Messner have recently compiled a handbook that offers a broad and comprehensive perspective on how to cope with change, both expected and unexpected. It brings together many years of experience, current perspectives, and future ideas of international business practitioners, academics and market researchers. The book diagnoses the factors that trigger change and drive continuous transformation. In doing so, it takes an interdisciplinary approach, weaving together strategy with implementation, connecting people with information technology, and linking customers with the businesses they are buying from. The handbook comprises 25 chapters covering transformational shifts, achieving customer centricity, dealing with new technology and leading the change.

The final chapter, written by our own Peter Boggis, Frank Dannenhauer and David Trafford, explores how the role of leaders needs to change, given the profound impact that digital technology has, and is continuing to have, on organisations. They argue that many organisations have yet to recognise the fundamental shift in the primary role of leaders – together with the process of leadership – that is required if they are to become truly digitally-enabled enterprises. Furthermore, they believe that to be an effective leader in the digital age requires a new way of operating, where conscious choices need to be made on priorities, areas of focus and, most importantly, where leaders spend their time. The argument is supported by five leadership principles for the digital age.

More information on *The Palgrave Handbook of Managing Continuous Business Transformation* can be found here.
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