

2. Who needs a Chief Digital Officer (CDO)?

With Digitalization and Digital transformation having become hype topics some years ago, many companies who didn't know how to deal with the subject or had CIOs that were overwhelmed with digitalization challenge, simply appointed a Chief Digital Officer (CDO) and hoped that with this the problem would get solved.

As technology is transforming and defining the future of every business, technology has become one of the core strategic assets of every company, just as human capital and financial resources are. While it is undisputedly expected from every leader that he/she knows how to deal with human capital and financial resources, it is still widely accepted that when it comes to technology, this can be delegated to a separate instance or person, as many leaders are still ignorant or overwhelmed with the technology topic. Whether it is delegated to a CTO, a CIO or a CDO does not make a material difference, it is still the same pattern: technology is not regarded to be a strategic asset and not worth forming a central and key component of the business, therefore it can be delegated to someone else.

CDOs are hired to drive the digital agenda of a company but then often they want to build their own "empire", as most of these "experienced leaders" are still traditional hierarchical managers and not the networked leaders that would be required for such a role. They often start to build a digital business unit, offering their own digital products and services to the market and with this, start to compete with the traditional business. This creates a lot of tension and internal friction that rather paralyzes the company with massive internal politics, than to improve the company's competitive positioning in the market.

Hypothesis:

The times of CDOs are over! Most companies move away from the concept of a CDO, as they have realized that digitalization cannot be established as a separate discipline with a separate organization, often competing with the traditional business.

While a well-established and business-driven CIO can act as an enabler of the digitalization and as a catalyst to help his/her business colleagues to become more digital, ultimately every leader needs to become a digital leader her/himself. Technology is so strategic to every business, that ownership over technology can no longer be delegated to a CIO or CDO.

If a business-minded CIO is successful in enabling the business to become digital and to build up the required digital competence as a core element of the business, then there is no need for a CDO.

But the CIO role needs to change as well, if CIOs don't want to become obsolete - as just happened with CDOs - when the business units become more digital themselves.

Question:

How can the CIO become more a catalyst for digitalization and an enabler for innovation and transformation and move away from being seen as an administrator of IT assets?

Resources:

https://www.peplematters.in/article/strategic-hr/ray-wang-on-disrupting-digital-business-15418?utm_source=peplematters&utm_medium=interstitial&utm_campaign=learnings-of-the-day

No digital leaders by 2020 – As per research, 37% of digital transformation projects today are led by Chief Digital Officer. By 2020, there will be no separate role of a technology leader as all CXOs will form the digital suite.

IT'S IMPOSSIBLE TO BE AN EFFECTIVE
LEADER UNLESS YOU ARE ALSO AN
EFFECTIVE DIGITAL LEADER.



@DavidGeurin | www.davidgeurin.com