

Management for Professionals

Steven M. Stone

Digitally Deaf

Why Organizations Struggle with
Digital Transformation



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*To my family and friends for all their support
and to all of the men and women I have been
privileged to work with throughout my
career.*

Preface

What would possess someone to write a book? More specifically, what would possess someone to write a book on a topic such as Digital Transformation?

I will be honest; I have asked myself those questions more than a couple of times while writing this book. To better understand “why” I am writing it, I think you need to know a little more about “who” I am.

My dad always seemed to have a couple of side-jobs in addition to the one he held at Carolina Mirror Corporation for over 35 years (which he fondly called “the shop”). One of these side-jobs was doing tax returns for the “boys in the shop.” As the majority of the people that worked at the shop were paid hourly wages, the tax returns were generally straightforward. Dad would do 40–50 returns, all by hand, every year during tax season.

When I was in the fifth grade, dad brought home our family’s first electronic calculator. He was very skeptical of it, and he gave me the job of working it to help with his math on the tax returns. We had a small, four-room house (a kitchen, living room, and two bedrooms). We would spread the tax returns all over the kitchen table and dad would add on his paper pad, I would click away on the calculator. After proving him wrong most of one tax season, dad decided perhaps the calculator wasn’t such a bad thing after all.

That calculator, brought home in 1972, was what began my interest in the field of technology. I became fascinated with what technology could do to help people process information. I carried this fascination to my alma mater, Appalachian State University, where I majored in both business and information systems.

I enjoyed a remarkable 34-year career in information technology following my graduation in 1983. I progressed from being COBOL programmer to eventually serving nearly 15 years as a Chief Information Officer. I was very fortunate to work with very talented people at some great companies. But that journey is another story unto itself.

Looking back on my career, I recall so many stories and experiences. Experiences that still bring a smile to my face, and experiences that will keep me up at night if I let them. Consequently, I have developed a viewpoint on what to do and what not to do on most aspects of information technology.

So many fantastic books have been written on digital technologies and digital transformation. I have read many of these books and even used elements of these books in proposals and discussions with my business partners at L Brands.

However, none of these books addressed the growing list of digital transformation failures. Digital transformation failure rates, as high as 84%, have been quoted in various articles over the past two years. Working as a CIO in the retail industry for over 13 years, I developed a definitive viewpoint on the challenges organizations face when transforming business process through enabling technology.

Thus, I believe what differentiates this book from others is the viewpoint. Working inside major corporations afforded me the opportunity to see, firsthand, the negotiations, the arguments, the subtle (and sometimes not so subtle) politics, and the rationale behind critical decisions driving business strategy. It isn't that an internal perspective is better than the viewpoints from consultants, academics, or industry pundits. It is merely that my viewpoint is different. Call it a deep view versus a broad view of the way digital technologies are being considered and adopted.

The idea for this book grew from a series of events during my years at L Brands. L Brands leaders were discussing the potential benefits and impacts of a number of digital technologies. Many challenges of digital adoption became readily apparent as we moved through the planning and evaluation processes.

I had the good fortune of spending 11 of my 34 years in the services (software and consulting) sector. I very much respect and understand the advantages of taking a step back and assimilating best practices to come up with a vision, strategy, or both.

However, there is a distinct difference from recommending a course of action and having full responsibility for executing it. As I read through books on digital transformation, I didn't find advice for navigating corporate governance, aligning critics, dealing with corporate politics, combatting unreasonable expectations, and maintaining focus when things weren't going as planned.

In the world of industry IT, these are items we face every day. As I talked to other technology leaders, it became apparent that many of us were struggling with the same issues regarding digital technologies. There is a good deal of excitement and confusion on the topic of digital transformation. Our business leaders continue to talk about digital technologies remaking their respective industries, but in many cases the words seem to be out of step with the leader's actions.

As I finally came to peace with the idea of retiring, these challenges were fresh on my mind. I decided that perhaps the best way I could call attention to the confusion surrounding digital technologies and transformation would be to write a book.

The name of the book came to me after a board meeting. As we tried to move into a broader discussion on technology it became readily apparent that no one on the board understood or could relate with our challenges. The board members were highly intelligent and knowledgeable in their chosen fields. However, none of them had any significant background in technology. I left the meeting and went back to my office and wrote on a small pad the words "digitally deaf."

I don't blame the board members at all. Asking board members with no technology background to provide guidance on technical topics is like asking me to decide on the appropriate bond credit rating for the company.

Shortly after my retirement, I began to work on the book. After structuring the chapters, I started to think about events that had shaped my viewpoints. It was these viewpoints, applied to modern digital technology challenges, that formed the basis of the book. I then began research on a number of the topics looking for supporting or refuting data.

To this end, I worked with Cathy Hotka & Associates to produce a survey to better understand digital adoption in the retail industry. This comprehensive survey was sent to a wide variety of technology leaders in retail. I served as the curator of the survey and produced a report that was widely distributed.

While this survey focused specifically on retail, the key elements and findings of the survey can be applied across all industries. Many of the themes that emerged from the survey are incorporated in *Digitally Deaf: Why Organizations Struggle with Digital Transformation*.

Ultimately, *Digitally Deaf* is about experiences and applying those experiences to the challenges of today's digital ecosystem. The book is an accumulation of my observations and experiences, augmented with months of research to come up with advice for organizations attempting digital transformation.

Throughout my career, my teams and I have experienced tremendous success. However, I will be the first to admit that I made my fair share of mistakes. I have worked hard to learn from those mistakes and believe elements of these lessons can be used to help others facing similar challenges. Said another way, this isn't a vanity book about Steve Stone. It is about the challenges technology leaders and business leaders face in a tumultuous time of transformation.

As I wrote this book, I tried to eliminate bias. I found this is very difficult. As you tell a story, you have a distinct viewpoint. Try as you might, it is hard to keep your opinion from coming out in a story. While I believe my stories are factually accurate, I am sure there are other sides to the same story.

As you read the book, I hope you can draw corollaries between my stories and some of your own experiences. Above all else, I hope the book helps spark conversation between business and technology leaders on the topic of digital technologies and transformation.

There are so many people I want to thank for their help in writing this book. My wife and daughters have stood by me for years as my career required longer and longer hours and more time away from home. They were all very supportive when I told them of my plans to write a book. My brother and sisters graciously volunteered to act as reviewers of the initial composition. I received the same help from my closest friends and former coworkers. To each of you, I can't say "thank you" enough. I kept waiting for someone to tell me this was stupid and to stop writing. Instead, I received support and encouragement. That meant the world to me.

Finally, I have to thank my mother and father. My dad passed away when I was 22. In those 22 years, he showed me how to laugh, how to enjoy life, and how to be a true friend. My mom has always been there for me. No matter how high or how low I have been in my life, I know I can count on her to be there to listen. She is my rock.

Denver, NC, USA

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Chapter 1

Can You Hear Digital?



Abstract Stone introduces the reader to the disruption being wrought by digital technologies across all industries. He provides an imperative for organizations to change in order to remain relevant in the marketplace. To highlight specific organization inhibitors to digital transformation Stone introduces the concept of a “Deaf Diagnostic”. The Deaf Diagnostic is an organization behavior, process, or culture that impedes or halts the digital transformation process. Finally, Stone positions the reader for what to expect by providing a short synopsis of the remaining chapters.

I have to admit; I love movies. For me, it is simply an escape: a way to let my mind wander into the realm of the possible or sometimes the realm of absurdity. Movies that I enjoy I can watch time and time again. As anyone who has ever worked with me can attest, I will quote and reference movies on a relatively regular basis. Sometimes to emphasize a point, sometimes to get a laugh, and other times just to change the flow of thought.

When I think about all of the discourse over the past few years on digital transformation my mind quickly recalls a “cinematic classic” *White Men Can’t Jump*. Billy (Woody Harrelson), Sidney (Wesley Snipes), and Gloria (Rosie Perez) are in Billy’s car. Billy slides in a cassette tape and begins to play *Purple Haze* by Jimi Hendrix. Sidney, with a puzzled look on his face, says, “Hey, what is this?”

Billy replies, “Jimi Hendrix.”

Sidney, still perplexed, states, “I know who it is, but why are you playing Jimi?”

Billy, in a casual manner, says, “Well because I like to listen to him.”

Sidney, now looking a bit angry, says, “Oh, you like to listen to him. Now that’s what the f##### problem is. Y’all listen.”

Billy, now looking confused, asks, “What am I supposed to do, eat it?”

Sidney, in an animated fashion, says, “No, no, no. You’re supposed to hear it.”

Billy retorts, “I just said I like to listen to him.”

Sidney explains, “No, no, no. There is a difference between hearing and listening.”

OK, so you may be asking yourself, where is he headed with this? In today’s world full of digital innovation, our business leaders are similar to Billy. They are “listening” but they aren’t “hearing.” They read articles, and perhaps books discussing the power of digital technologies and how adopting these technologies can