Moving digital transformation forward

**Digital Maturity Needs Cultivation and Vision**
Companies are unprepared, largely due to internal obstacles. An organization’s digital maturity:

- Developing companies (4-6): 16%
- Early companies (1-3): 44%
- Maturing companies (7-10): 4%

**Talent**

Wait...Where's Everyone Going?

- Maturing companies develop from within. People who aren’t getting digital opportunities are leaving.
- Plan to leave their organization in less than one year, given digital trends.

**Culture**

Corporate digital culture matters...a lot.

- Motivating cultural traits are shared across maturing companies.
- How organization cultures are measuring up:

**Leadership**

Steady at the helm

- Leaders with vision are critical to driving digital changes.
- Effective change management is imperative to making the transformation from “doing” digital things to “becoming” digital.

**Strategy**

Where do you go from here?

- Take a long-term view. Longer than that. No, even longer.
- Consider a time horizon by defining what the market will likely look like and what customers will expect.

"Time frames greater than 10 years may be needed in a digital environment."

- Silicon Valley companies follow a ‘Zoom Out and Zoom In’ approach:

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-12 months</td>
<td>20%</td>
</tr>
<tr>
<td>1-2 years</td>
<td>40%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>20%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>18%</td>
</tr>
<tr>
<td>10+ years</td>
<td>18%</td>
</tr>
</tbody>
</table>

*We asked respondents to “imagine an ideal organization transformed by digital technologies and capabilities that improve processes, engage talent across the organization and drive new value-generating business models.” We then asked respondents to rate their company against that ideal on a scale of 1 to 10. Three maturity groups were observed, ‘early’ (1-3), ‘developing’ (4-6), and ‘maturing’ (7-10).*

**Address the next and identify the two or three business initiatives that will have the greatest potential to accelerate movement toward the longer-term destination.**

**Organizational Digital Maturity**

- Employees: 1 thread, 43% (agree/strongly agree)
- Contractors: 1 thread, 18% (agree/strongly agree)
- Hires: 1 thread, 18% (agree/strongly agree)
- Opportunity: 1 thread, 60% (agree/strongly agree)

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For more information on digital transformation, visit Sloanreview.mit.edu/Digital2016.