

DIGITAL TRANSFORMATION: THE COVID REBOUND

BY

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COVID19 (and the induced economic coma) has ignited behavioural change in businesses and governments. Those able to stay open often had a critical realization: "We should've become more digital." As things reopen, expect an aggressive push to do just that.

Enterprises and governments of every size had plans to "go digital" but were flat footed when COVID punched them in the face. Mother Nature forcibly, inconveniently, and instantly changed the game. Comfort that knowledge workers could carry on at a distance was often displaced by anxiety that they couldn't—at least not effectively. Many organizations were up to the challenge as Canada's PPE stockpile.

Obviously, *something* will be done. Inevitably that *something* will be an overreaction. Fear will do that.

Digital transformation encompasses any number of changes geared to aligning yesterday's analogue processes and methods to the speed and infinite geographic liberty of *digital*. In times BCE (Before COVID Era), digital transformation was a competitive imperative. In the CE (COVID Era), it's more a survival necessity.

Some may believe in a return to BCE “normal.” This kind of tenacious willful denial will ensure mistakes of the past are repeated. Doubling down on BCE certainties will end in ignominious casualty.

Others’ initial overcompensation will be more expected: aggressive actions to digitally transform, with emphasis on digital. Those with reasonably calibrated awareness that Mother Nature is far from through with us will feel most pressured and push farther.

But the second wave of COVID will trigger a swing of the pendulum. It may quickly reveal how much of the expensive, reactionary *digital* transformation is less valuable in practice than in the pitch, or too unwieldy to be meaningful in the gyrations of an epidemic. The extensive transformation will be cryogenically frozen to revive later... when the time is better. Such is the pity; the time will never be more pressing.

I am a (digital) transformation consultant. As has my cadre, I have been predicting and waiting for this situation. Here’s what I suggest to those either self-inflicting digital anxiety or having it foisted upon them.

First, embrace the fear. It’s real: COVID *will* have a lasting impact. A scale business model built upon large groups of people (retail shopping, restaurants, transit, tourism, etc.) will have problems for a decade. It will be catastrophic for the next couple years. And no amount of *digital* transformation is going to fix the social distancing challenges, although it *could* help adapt to it. (Put that word—adapt—into your daily lexicon.) Embrace the fear: but focus it appropriately.

Second, use the fear; try not to be used by it. When scared, it’s easy to be misdirected by the slightest nudge. If the consultant says, “If you’re going this far, you should go on to set yourself apart from the competition...,” pause. Should the next,

inevitable wave arrive or the market not bounce back, being out-competed and missing on growth will not be your biggest problem. FOMO (fear of missing out) is so BCE.

Courage is being scared but risking anyway. To cross an icy lake, the courageous step tentatively but firmly and quickly. They try not to rush into a worse situation just to not stay longer in a bad one. Focus on the biggest impact, smallest actions to digitize. Leave the leaps ahead for another day.

Third: step back and breath. The question is not whether your operation has to transform. It does. The question is how much *digital* fits into that transformation—and where.

Is *digital* transformation the solution? the priority? Probably some element of it absolutely is and you know it. That said, many BCE digitization value-adds are just no longer a priority—at least not right now. In the CE, some very specific digitizing value-adds do need to be pursued, and these should rise to the top of a transformation priorities list.

The magic is divining which and how particular digital transformations provide leverage to deal with the truly critical transformations at hand: employee and customer safety; finding and serving customers at a distance; ensuring sufficient (cash) resources and critical equipment/supplies; revisiting your BCE business model for the circumstances of the CE. There is probably a relevant *digital* angle to each of these. But in few instances is digital more than a critical support for the real transformation.

Digital transformation is not about replacing technology; it's about changing people. Even in normal circumstances, technology replacement is the simpler part of a challenging equation. And these times are anything but BCE normal. That's why it's so important not to react too fast or strong without deeper and broader thought to how you'll

GRAYSON

go about transforming (people). Especially since everyone has even greater emotional need to hang on to the stability they left on March 13th.

Transformation is not optional and digital is likely a part of it. To be successful with the digital part may, however, be more challenging than ever. It's may have more impact than ever as well.

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