



# The Risk Gaps And The Impact Of Digitalization To The Organisation, Employees And The Society

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# Digitalization

- Digitalization means applying digital technology to improve your business, **digitization shorter the delivery of services**
- Digitalization can be used in **communicating, interacting and transacting** with your customers, suppliers and employees.
- The purpose is not to digitize everything but to use it where it makes sense
- All industries will be impacted and many disrupted
- While digitalization is by default about technology, it has big impact in processes, organization, skills, KPIs, leadership and many other areas of the business
- Digitalization is becoming a requirement for any organization that wants to remain competitive on its markets

# Digitalization 3 key concepts

Three key concepts to be successful in this vein are:

Strategic  
Agility

the way a company decides to transform;

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Organizational  
Agility

how a company implements transformational processes and;

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Operational  
Agility

how quickly the transformation can happen

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**Efficiency** comes from employees' ability to identify, integrate and achieve the transformations required by the environment

# Digitalization is a transformation process

TAKES

3-5 years to make digital business-as-usual

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STARTS

from the customer interface but cuts across the organization and processes

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NEEDS

a senior leader to see through the transformation, typically a Chief Digital Officer is appointed

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# Transformation challenges the company culture

- Lack of understanding of digital business models and business cases
- Lack of clear policy management process
- Lack of process readiness impacting e.g. robotics implementation
- Data is too fragmented and of poor quality for decision making and process simplification
- Culture does not support “experimental or start-up mind-set”, an organization can’t adapt without the help of all its employees
- Organizational fatigue due to continuous changes
- Lack of digital talents and internal development of future roles



# Transformation challenges the company culture

- Disconnection between operations and IT
- Increase exposure to business disruption e.g. Cyber risk
- Data protection: data retention policies, interfaces, robotics ...
- Need to balance privacy compliance with intensive data mining (e.g. consents, data sharing, legal basis, protection)
- Changes in legislation, higher demands from the authorities impacting the company governance and processes
- The coronavirus crisis is driving (or forcing) digitization



# Tips or Recommendations

- Start the digital transformation with your own employees before the clients (e.g. collaboration tools, team workspaces, cloud services, flexible procedures)
- Improve the risk assessment skills for business plans and feasibility studies
- Communicate from the CEO to employees, subcontractors and vendors about the importance of digitalization (e.g. CEO blog on innovation, insights of customer surveys)
- Have robust continuity plans to avoid disruptions, ensure that the plans are well communicated in the organisation and perform an annual crisis management testing
- Rotate staff across departments and countries
- Identify future expertise required and initiate internal development plans
- Set bonus targets for digitalization of revenue
- Recruit for diversity and interdisciplinary knowledge
- Consult your risk management, legal, compliance and IT security departments for advise or support



RECOMMENDED

# Questions

