


FT PUBLISHING

GOING DIGITAL



What it takes
for smoother
transformations

LYNDSEY JONES AND
BALVINDER SINGH POWAR

A practical and revealing guide for anyone dealing with transformation, whatever their business or sector. Throughout the book, you will:

- Understand how to navigate digital transformation and change, whatever your sector or challenge.
- Build a mindset that's ready and adaptable to digital disruption.
- Learn quickly, fail fast and adapt unexpected discoveries to help your business evolve, stay relevant and boost profits.
- Discover how to win over individuals and teams to change the way they operate and work more efficiently.
- Read the stories of internationally recognised companies to learn what worked (and what didn't) for them.

'This wise, expert and supremely practical guide is an invaluable aid to navigating the nitty gritty of pushing digital change.'

Prof. Dr Lucy Kueng, Digital Transformation Expert, Senior Fellow Reuters Institute, Oxford University

'This ideal guide takes the mystery out of transformation showing the way to success in a digital world.'

Liz Hannam, Head of News, ITV News Central

Praise for *Going Digital*

‘Here is the essential guide to how managers should adapt their businesses to the digital revolution. Written by a journalist who was the driving force behind the shift from print to digital in the *Financial Times* newsroom, the book offers many examples of how to change mindsets and work practices – and keep employees on board.’

Lionel Barber, Editor of The Financial Times 2005–2020

‘Digital transformation is a daunting challenge. This wise, expert and supremely practical guide is an invaluable aid to navigating the nitty gritty of pushing digital change into the heart of your organisation. If you need to know where lean stops and agile starts, and how to craft a vision that truly heralds change this is the book for you. Highly recommended.’

***Prof. Dr Lucy Kueng, digital transformation expert;
Senior Fellow, Reuters Institute, Oxford University***

‘This is an ideal guide for anyone working in an industry where change is the only constant. Drawing on the experiences and advice of those who’ve been there before, it takes the mystery out of transformation showing the way to success in a digital world.’

Liz Hannam, Head of News, ITV News Central

‘*Going Digital* is an essential survival kit in our journey of a constantly changing environment, giving the reader the inside and real view from champions behind the scenes sharing their tips on how to drive change at companies. It will become your bedside book.’

***Berta Merelles, Senior Director,
BTS Global Consultancy***

‘This book frames and filters that bigger dataset helping to benchmark one’s own experience with examples from peers who faced similar challenges. Its value lies there, providing an understanding on how they responded and what succeeded, helping to lay out your own tailored approaches to these relatable problems.’

Kotter and Schlesinger suggested six approaches that can help to tackle their four reasons why people resist. You can help to reduce tension and mitigate the risk of rebellion by doing a mixture of the following:

- Communicate
- Involve and support
- Negotiate and agree

WHAT TACTICS TO USE

The following approaches have not only worked in our experience but also at the companies we spoke to. We would recommend that you draw up your own strategy using a mix of these tactics from the start of a project to suit the situation you face:

- Communicate throughout the process often and repeatedly to sell your vision and promote understanding of it that will lead to buy-in.
- Involve and support. Actively listen to other ideas and seek colleagues' perspectives. They may have seen other ways to make improvements.
- Negotiate and seek agreement. It is important for all stakeholders to be clear about the benefit for them.

TACTIC 1: COMMUNICATE

You just cannot communicate enough during a period of transformation. You can never have too many individual conversations, team or larger departmental meetings and wider 'town halls' that are open to the whole company. All of these will not only be repeating the message but also educating the workforce about why change is necessary and giving the context to everyone about where the business is heading. As a change agent, you will play your part in reinforcing this message. By setting out the case for change, it can help to avoid conflict.

Clear statements are easily understood but have to be made with authenticity and empathy for them to be accepted and generate motivated action. It is better to over-communicate, to foster more dialogue and engagement. In this way, team members establish open and frequent communication which helps to create bonds and clarify doubts.

Individual conversations can help to defuse any potential conflict in a company setting but it can depend on the context of what you are trying to do. If people are not dependent on each other for interaction over work, it is probably easier to have one-to-one talks.

Simon Sinek, a management consultant and author, said in a TED Talk that the ‘why’ (or context) was critical in not only developing powerful company value propositions but also in creating a motivated team who believe in what they are doing. He talked about the ‘golden circle’ of ‘What, How, Why’.

In his book *Start with Why*, Sinek wrote that every organisation knows what they do and some know how they do it, but few know why they exist. But if they do know, it “is a purpose, cause or belief”. Also, messages that concentrate on emotions, behaviour and decision-making are more effective at the neurological level.

“Have an understanding of why this [change] is a good thing and what aspects are difficult about it and then communicate it in as many ways as possible”, says Sarah Wells, Technical Director for Operations and Reliability at the *Financial Times*. “Even where change is difficult, you have to really feel this is the right thing, otherwise you can’t sell it to people.”

Meri Williams, former Chief Technology Officer at challenger bank Monzo, agrees. She tries to get people on side by explaining the ‘why’ to colleagues, to help educate them on the logic for change. “If there is no Why, or nobody will share with them the Why . . . they are going to resist either actively or passively because they are not going to do things for the sake of doing them”, she says.

Then you have to keep pushing the message home because “people don’t necessarily catch it the first time you say it”, says Wells. They can be busy doing other things or they simply did not read the email properly.

“You have to send things again and again and say it in lots of different ways so that people really understand it. And you will still have people turning round and saying: ‘I didn’t know this was happening’. And you can turn round and say well you got an email and there was a Slack message and it was announced at this meeting”, she says.

Nico Arcauz at Iberdrola agrees that strong communication is vital. When he oversaw a transformation project, newsletters were used in an education drive to disseminate information to about 4,000 employees so they could understand the direction of travel for the company.

“You achieve something magical about it when the whole organisation buys into the project. That is certainly a challenge and I don’t have an easy answer for that. Just call Harry Potter and ask him to work his magic because it is not easy at all”, he says.

In another editorial project at the *Financial Times* in 2013, transforming the newsroom from a mainly print-focused operation to a digital one, meetings ranging from individual conversations and team discussions to company-wide town halls, and consultations with the National Union of Journalists were held regularly.

Communication was key because the culture was one of consensus. No one was being forced to change. But individuals needed to be convinced to make the move from a four-night a week working pattern to five days and teams needed to be assured of the business reasons by senior managers. And it paid off in the long term with many colleagues deciding to make the change.

IN SUMMARY

- Understand why the transformation is necessary.
- Explain the logic of any decisions.
- Acknowledge which aspects are difficult.
- Communicate in as many ways as possible.

FRANK DE WINNE

Former Commander of International Space Station (ISS) Expedition 21

While astronauts have specific psychological profiles and are put through a rigorous selection process, managers can learn some lessons from the type of training they undergo.

Given the confined and isolated environment in space, astronauts are taught to spot early signs of tensions arising or if some of the crew members are not happy or withdrawing.

“Conflict is always something that builds up – so what are the early signs and what can you do to reduce the tension before it reaches a conflict?” asks Frank De Winne, who is now the European Space Agency ISS Programme Manager, and the second Belgian in space.

When he served as commander of ISS Expedition 21, he made sure the crew always had their meals together as much as possible so that you could discuss anything that happened during the day and look at whether any adjustments needed to be made to the way they were operating. This was a moment where “it was not stressful” and they could listen to music together. They rotated who chose the music every night to “create a group dynamic”.

This was important because when he arrived at the space station, he and two other astronauts who had flown with him, joined three other crew members who were already there.

“When you come to the space station you have to integrate with the team that is already there”, he says. “On board, they have their dynamics so you have to integrate to that.” Then there is a rollover, where those three people leave and three new ones come in. “Then the dynamics of the team changes because if you change 50 per cent of the team composition the dynamic changes.”

Culturally, the crew were very different, often comprising Russians, Americans, Europeans and Japanese. “But all the people have the same goal. They want to fly into space and they want to make the best out of their mission . . . So of course it is easier to manage”, he says.

TACTIC 2: INVOLVE AND SUPPORT

Encourage people to participate because they may spot ways to improve the process. Listening to their ideas and using their suggestions can help because it starts to give them ownership and they may begin to commit to the cause. By giving them a voice, it can make them feel validated and appreciated.

“Giving people end-to-end ownership leads to the best outcome”, Meri Williams, former Chief Technology Officer at Monzo, says.

You can also give people responsibility for helping you drive the change. This may lead to long-term buy-in. But this method does have drawbacks. It can be very time-consuming and it will have to be managed carefully. It is also important to make clear what can or cannot be realistically done to avoid frustration if you decide not to use their suggestions.

As part of facilitation, you can act like a ‘bridge’ where you either walk alongside people to help them across or push them along to enforce change.

Overseeing the implementation of the broadcast schedule in editorial at the FT took a lot of labour-intensive work, supporting colleagues through how to make their stories transparent by using a software programme that was poorly adopted at the time.

You can also use selective information to try to effect change. At the FT, when the broadcast schedule, a transparent list of stories with their publication times, was launched, some heads of newsdesks were reluctant to embrace it because they saw it as more work for them and their teams.

But a couple of people within these teams who were open to change were asked to take part in the 'secret' project and under no circumstances to tell their managers about it. Within 48 hours, those managers were demanding to be part of the so-called secret project and were only too willing to help make it work.

While some colleagues may actually never cross the bridge and will leave the company, others may stay and continue to resist.

"In any change you do not bring everyone along with you and I do think you have to recognise that", says Sarah Wells, who has overseen different transformation projects in the IT department at the FT. "If you work in IT you might be able to move on because you don't like the change here and now, but in ten years' time it would have happened everywhere."

"There's a part where you need to understand that certain people in certain contexts are not going to change", says Marta Javaloy at BBVA. "You need to manage your energy to understand what part of the context you just need to accept and where you have space to facilitate change and make an impact."

Competency issues can also come into play here where colleagues feel they do not have the required skills to thrive. They may be concerned they will be forced to work in a different way and they will not be able to succeed. They could also be feeling anxious about whether the workload will rise, resulting in them being asked to do more with fewer resources as well as increasing the likelihood of making mistakes.

"You need to understand what people's context, needs, fears and barriers are and build that picture to find allies and to build a shared vision of where you want to go", says Javaloy. "What does [the transformation] actually mean to people in their daily lives?"

If they do not feel supported, it is likely the project may not work.

WHEN TO ENFORCE

There will also be some element of enforcement – and that can sit in your role as a change manager.

A way of applying pressure on non-compliant teams is to start with those who volunteer to do things differently and slowly surround the resisters with change agents.

Tom Fortin uses this strategy to bring teams around to new ways of working. He calls it the ‘surround, humiliate’ plan. He would identify the teams most open to change – they may have offered to run a project, for example – and get them to successfully transform business practices.

“Then I would go down the line of transferring and transitioning the next teams. And at the end, if there were six teams, five of them would transition”, he says. That sixth team would still be using the old system but they would have to own all of its costs. He would also give them the power to decide whether they wanted to change – and they did. “That was a painful process to make sure that you’d captured it. But that was absolutely key to doing it”, he says.

At the FT, there were often arguments around bringing copy deadlines forward by 24 hours to publish copy for 5am to meet the peak audience online. It was a way to streamline print production processes and redeploy staff into digital roles.

This project took a level of daily enforcement for something like close to two years for the new ways of working to become ingrained.

IN SUMMARY

- Encourage staff to improve processes.
- Listen to their ideas and give them a voice so they start to take ownership.
- Give them responsibility for helping you with delivery.
- Act like a bridge between strategic vision and reality at the coalface.
- Enforce change when necessary.

TACTIC 3: NEGOTIATE AND AGREE

Negotiated agreements can avoid major action against proposed change. It is sometimes easy to forget the role of unions who can be ‘friend or foe’ depending on the circumstance. They can help to support change or hinder it if they feel that it is not in the benefit of their members. It is vital to factor in the importance of unions and consider how you approach them if they are in your workplace and it is within your remit to do so.

At the FT, the consultations with the National Union of Journalists (NUJ) were labour-intensive and it took about 18 months to achieve a consensus-driven outcome. But it did avoid any large-scale confrontation.

On an individual level, a person may be motivated by many things such as power, job retention, prestige, or access to new information. By