BEHIND THE BOARDROOM DOOR

Behind the Boardroom Door: Digital transformation and corporate success

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In Betsy Atkins' article "How to Win the Digital Revolution" she notes "Companies must learn how to disrupt themselves to survive the digital industrial revolution."

Technology is no longer sitting in the back office. Regardless of your business, employees and customers are demanding a better, more digital business experience. New technologies are creating new markets, products and expectations. Digital transformation is imperative to a company's success.

COURTESY OF CARBONITE
Carbonite CEO Mohamad Ali

Is your board digital-ready? Who will be the digital disrupter in your market? Will you be the disrupter or the disrupted? The short-term and long-term success of your organization will depend on your ability to understand how you need to change digitally, and how fast you can do it. NACD New England chapter is hosting a March 13 program that delves into these issues and their implications for businesses. Below, the panelists address the issues for Business Journal readers:

Is there one aspect of conducting business on which you see evolving technology having the biggest impact?

Mohamad Ali, CEO, Carbonite: Technology is changing every single business function, from customer engagement to back office operations to service delivery. We continue to see an arms race between technology-first businesses who are vying to not only outpace their competitors but also disrupt entire industries, with some of the most prominent examples being Amazon v. Walmart and General Motors v. Tesla. Additionally, businesses are shifting their mindsets towards the understanding that investing in new technology is the key to survivability. For instance, many companies, including Bank of New York Mellon, have stated that they will invest their anticipated savings from the new tax overhaul in technology upgrades.

Pamela Reeve, former CEO, Lightbridge Inc.: Long gone are the days when technology could be isolated to a particular aspect of the business. It has infiltrated virtually every major element of business today, whether for reasons of cost reduction, process improvement, or product enhancement. But one area that virtually every company needs to think through is how to move its customers or users to the center of its operations. The combination of technology, process and talent can be powerful in developing, expanding or repositioning a company with its customer base--all leading to more value.

What changes can boards make to ensure their company is the disrupter and not the disrupted?

Ali: When it comes to populating a board, companies should prioritize the diversity of its members, both in terms of gender/race/age as well as in experience/skillset. If it's not diverse, it needs a refresh. Diversity of members brings new ways of thinking that enable more efficient problem solving and will help the board as a unit better anticipate and prepare for change. Additionally, in today's digital era, it's important that board members are tech savvy. This means they have experience implementing technology as well as tackling some of the most pressing issues that technology presents companies, including cyber threats. Finally, all board members should be committed to a company's vision. The more it supports a company and immerses into its culture, the better it can position the company to stay ahead of the disruption curve.

Corey Thomas, CEO, Rapid7: To minimize the likelihood of disruption, the organization should be obsessive about ensuring that their business model, the

combinations of products and services that they deliver and the cost to the customer of those products and services, are aligned and create substantial value for their customers. The easiest targets of disruption are companies that provide low to moderate value, but the cost is high to the customer. It is also important to experiment with different business models and service delivery models.

As a director, how does one weigh embracing the opportunities of technology against the threats exposed by such advances?

Ali: Excellent question. There are many pitfalls of technology, including threats to existing businesses and threats to society. However, technological change is coming and coming fast, and the only way for us to deal with it is to engage and determine how to harness it for the betterment of business and of society. I believe that overall, technology can create a net benefit for everyone, as has been the case many times in history, but it requires significant work and thought to accomplish that. Directors on boards need to quickly develop the skills to ask the right questions with respect to technology, assess the threats and opportunities, and then move very fast to take advantage of the opportunities – or else someone else will.