

The Digital Maturity Model

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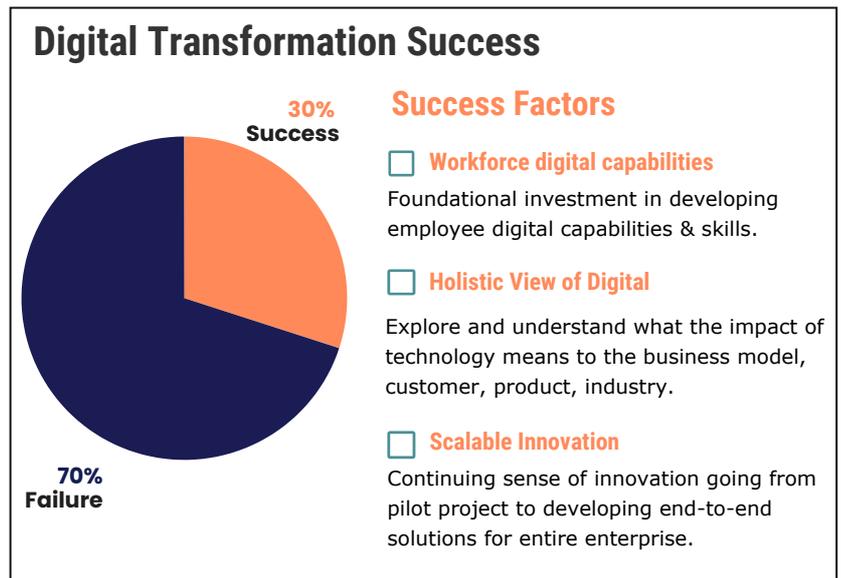


“Every business is a digital business” has now almost become a cliché. Gestalt believes that more than technology, a digital business has to do with its people and its culture. Gestalt through its extensive research & surveys, has distilled 4 digital business dimensions covering mindset, culture, processes and technology which help determine the success of the organization in its journey to becoming a digital enterprise. This white-paper presents Gestalt’s **Digital Maturity Model**, to benchmark, assess, plan and upskill workforce on these dimensions and serves as a guide for building digital capabilities.

Why A Digital Maturity Model?

To thrive in this constantly evolving digital world, companies need to enhance their use of digital tools to expand their digital footprint and apply digital-centric operating approaches in every function of their business. These digital opportunities continue to grow due to the emergence of new technologies such as Artificial Intelligence, Machine Learning, Virtual & Augmented Reality, IoT, Robotics, Analytics and Data-Driven Operating Models, API-Enabled Ecosystems and quantum computing.

The past 25 years of enterprise digitization have met with varying levels of success. Research^(Ref1) shows that 70% of digital transformation projects fall short on delivering the expected business value. Research has indicated that the 30% of successes of digital initiatives are concentrated within 10%-15% of companies. Those companies continuously outperform their competitors in revenue growth, profitability, market capitalization and business agility.



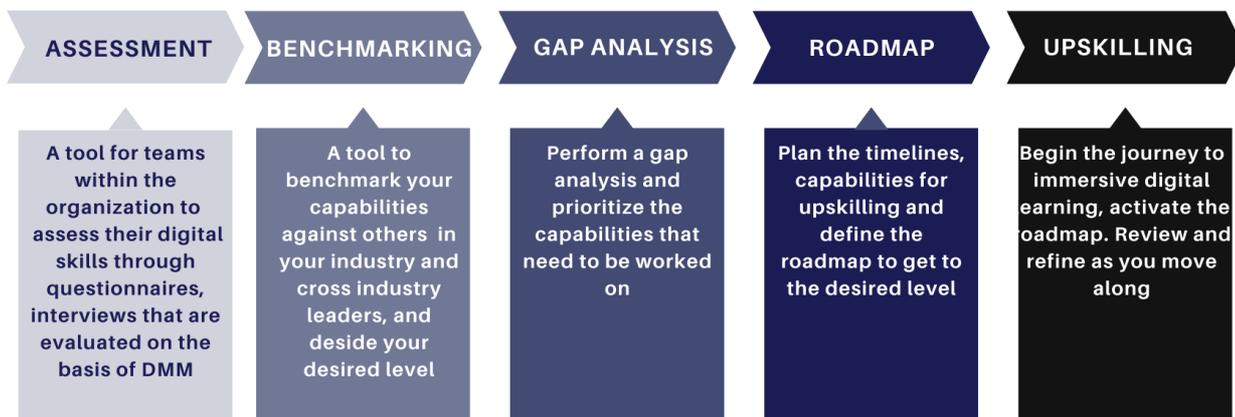
What makes this small number of companies successful, while the vast majority fail to fully capture the expected benefits of digital?

It isn't the digital technologies themselves; all companies have access to the same set of technologies. Unlike 20 years ago, most of these digital technologies are functional and mature, or at least quickly maturing. What truly differentiates the high performing companies is their level of digital readiness or digital maturity. It's how well they are positioned to take advantage of almost any digital technology they choose to adopt. This is not a technology challenge, it **reflects on the people (leadership and employees), the culture, the sense of innovation, their appreciation of digital possibilities, and for the constantly evolving digital ways of working.**

While some may argue that this just means that companies should hire more digitally skilled people, the talent that has this mindset and capability is scarce. The successful digital companies as shown above, are far more capable of attracting and retaining this high performing talent.

In addition, there is deep business knowledge and capability embedded in the current workforce and simply replacing them will erode that knowledge base. The way to succeed is to re-skill or upskill your existing workforce. Increase their digital maturity or digital readiness by shifting their mindset from traditional to digital and improve their digital skills.

Conceptually, the approach for increasing digital maturity is gradual. First, understand where the organization is today - assess the current digital maturity. Second, explore the benchmarks and agree on the destination, in alignment with the business strategy- the desired digital maturity. Third prioritize the gaps between the "as-is" and the desired state in order to focus on the most important capabilities and workgroups. Fourth, define a roadmap to get there with timelines for specific improvements that target specific benefits you wish to capture. Fifth, activate against that roadmap successfully and measure the results with a view to adjust and refine the approach over time.



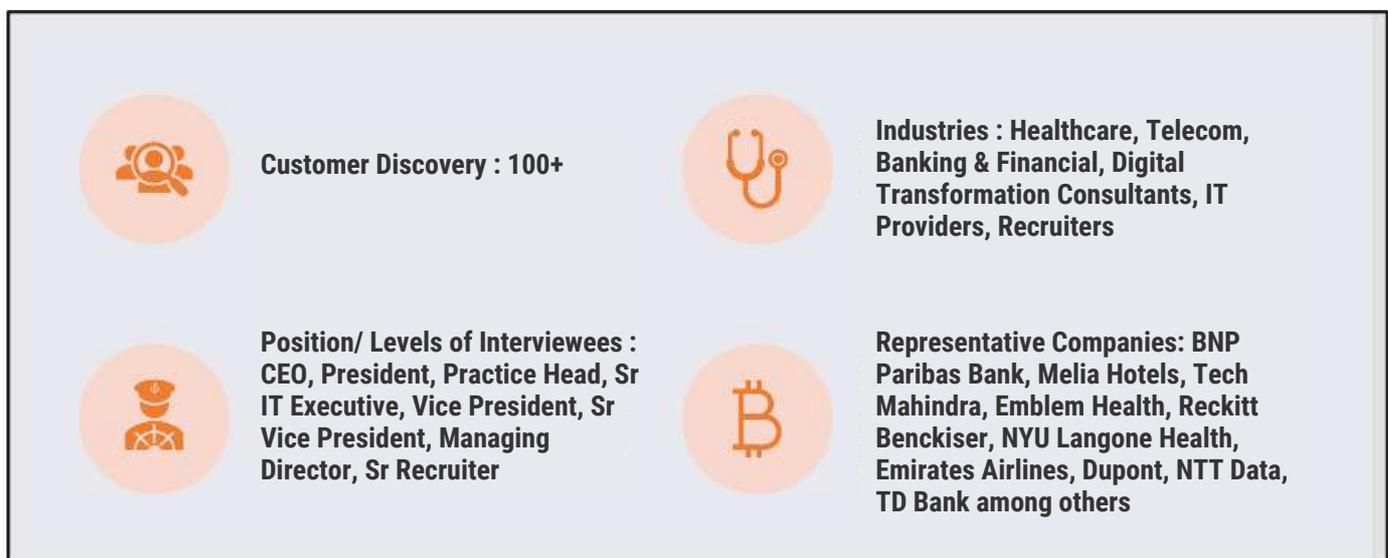
Our Digital Maturity Model (DMM) is purpose built to inform this process. With 4 dimensions, 35 digital competency areas and over 120 attributes of these competencies. It can be used to assess and benchmark the digital readiness of a company, a team, or individual employees against best practices.

In addition to an initial assessment against which to plan a digital upskilling roadmap, the DMM also facilitates continuous reassessment of skills acquired, behaviors activated, and maturity instilled as you adapt to ongoing digital solution evolution and continuous learning.

How was the Gestalt DMM developed?

The DMM was developed by our team of digital experts. It was validated by one of our co-founders as part of the Columbia University Digital Business Leadership Program.

The DMM codifies the research from a multinational survey of 100+ companies that have implemented some level of digital transformation in their organization, with varying levels of success. It was supplemented by the key contributions from IT providers and consultants who have helped digitally transform various organizations ranging from Fortune 500 to mid market companies.

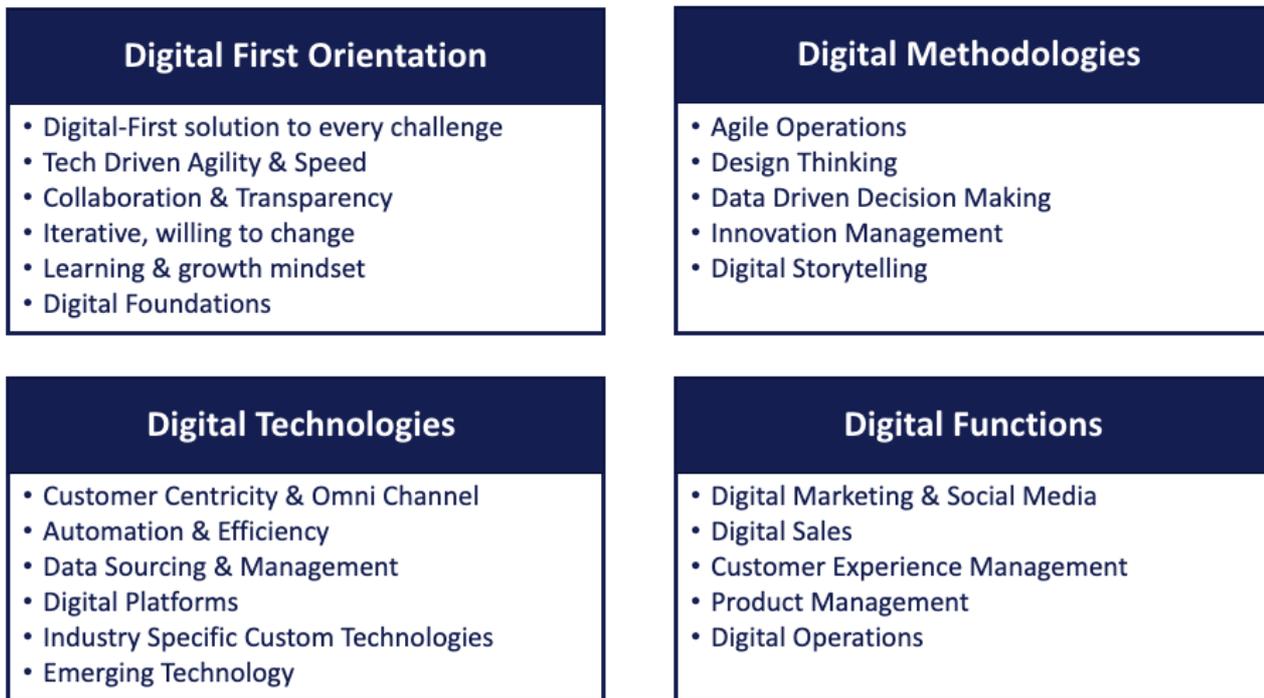


A snapshot study done in six months at Columbia University, NYC

The DMM addresses all four key dimensions of digital capabilities:

1. Digital First Orientation: This is about developing the knowledge and mindset to seek a digital solution instinctively & intuitively, to any business challenge. It is how a digital native would behave, having high degree of comfort with using technology for everyday tasks, both personal & professional. It requires a learning and growth mindset, to explore & work through emerging technologies, collaborate rather than work alone, work with agility and speed.

2. Digital Methodologies: As technology advanced, certain methods, procedures and best practices have evolved for better adoption of tech in the organizations, thereby realizing the desired benefits of digital initiatives. They help organizations develop a digital way of working and set digital culture. These include agile way of working- which enables faster action, design thinking -which helps develop customer empathy and alignment with evolving customer needs, among others. This dimension familiarizes the participants with the terminology, usage and application of such methodologies.



3. Digital Technologies : This focuses on the set of digital technologies which are impacting the industry, the organization and the functions. Technologies such as, digital channels affecting customer interaction, technologies which improve productivity through cloud, RPA or use data analysis to help faster & insightful decision making. This also covers emerging technologies from within or outside the industry ecosystem. It is a deep dive into technologies that form a core of a well rounded digital workforce.

4. Digital Functions: Digital is transforming each and every function in the organizations. The focus is to cover the best practices in these functions, with technologies fully integrated into the way these functions are carried out. These cover the external facing functions like Digital Marketing & Digital Sales, as well as internal functions including Product Management, Operations Management, Finance & HR. A holistic understanding of the impact of digital in functional areas positions the employee well in the digital economy.

DIGITAL MATURITY MODEL



Admired as a benchmark within and across industries



ICON

Has digital first ways of working, Enhances business outcomes with use of digital tools, looking more for strategic direction, aspiring for Icon level



NATIVE

Competent in the use of many technologies but wants to become more adept in emerging fields, Often aspires to be a Native



PROFICIENT

Uses some digital capabilities and willing to explore more tools and technologies



ADOPTER

Intrigued by digital & aware of some capabilities but not adequately skilled



BASIC

Gestalt digital maturity pyramid above illustrates the five maturity levels against which companies/teams can be benchmarked. Companies strive to move to the next level as they undergo digital upskilling and become more mature in their digital initiatives.



BASIC LEVEL

This is the first level of maturity. It describes a basic level of digital understanding. At this level the organization is familiar with technology and uses the minimum tech tools required for work. There is awareness but no mindset to experiment, learn and grow. Just starting their digital journey to explore what it means and how it can impact their business.



ADOPTER LEVEL

This is the second level of maturity, characterized by knowledge of some digital capabilities, tools and apps and willingness to learn more. Focused on simple ways to improve their efficiency, suffering from silos of information with limited cross-functional collaboration. They have identified the burning platform, adopted the shiny new tools but have not yet made a successful transition into the new world.



PROFICIENT LEVEL

This is the third level of maturity, consisting of individuals, teams, and organizations that are competent in the use of technology and are always looking to apply digital tools, engaging internally and externally. They understand the impact of digital investments and regularly determine the ROI on it. The entities here are living more connected lives, discovering and framing truth using data & analytics, and driving higher business efficiencies with the resulting insights.



NATIVE LEVEL

This is the fourth level of maturity, the shining castle on the hill. At this level, the digital way of working happens by default. Whenever a problem occurs, individuals resort to digital ways of discovering the solution. The employees see continuous improvement of their skills as an important part of their career strategy. Companies at this level prefer to engage digitally with internal and external stakeholders and create a collaborative, innovative space for the business to keep growing. They extensively use emerging tech such as AI, ML, and Blockchain to automate their business, and personalize the customer communication to the extent that they create a co-working space with them.



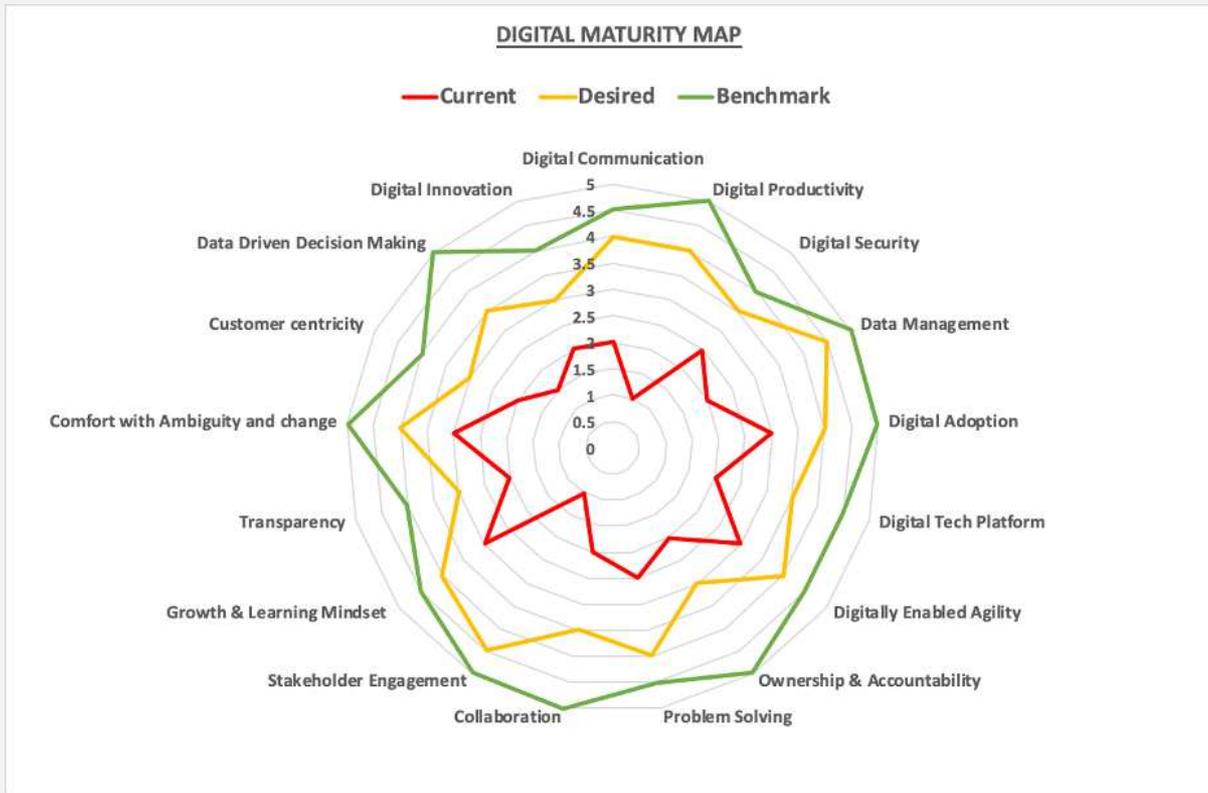
ICON LEVEL

Companies falling in this category are considered as a benchmark for their digital business models and other digital capabilities. They have done a successful digital transformation using people, process, and technology, and are realizing the business benefits of those initiatives. The employees at this company are not only very comfortable with their technology landscape, they are also experimenting and innovating newer solutions to keep their companies competitive.

The digital maturity map

Using the various dimensions of digital capabilities, Gestalt developed this map as a visual representation of the current, desired, and benchmark maturity levels for an organization.

A powerful and easy to consume visualization for an entire organization or a specific team, region, or organizational function or even an individual within the organization, falling into one or more of the levels of digital maturity.



The significance of the map

The map can be filtered to show how a team compares to the organization or to focus in on specific capability areas and attributes for discussion.

Each of the prioritized competency areas and attributes are assessed and scored, providing a basis for articulation of the gaps between the current, desired and benchmark with a focus on specific challenges and opportunities for improvement. This then informs the roadmap to move from current maturity to the desired level, usually through several incremental steps

How is the model used?



1. Identify the applicable capabilities for assessment from the 4 dimensions, 35 competency areas and 120+ attributes through a series of key stakeholder interviews, group sessions or an Executive pulse check

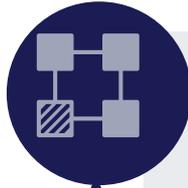


2. Field an assessment survey to a targeted, broad group who provide their feedback on the identified DMM dimensions. The survey scores are used to calculate the current digital maturity level.



3. Add a Benchmark if required.

This benchmark may be a particular company inside or outside your industry or a grouping of leaders that you wish to compare yourselves to.



4. Review the diagnostic visualizations produced by the model, validate the gaps between current and desired maturity and prioritize them in alignment with your business strategy for maximum benefit.



5. Define and prioritize solutions to close the gaps and realize the associated benefits of closing the gap



6. Co-create a roadmap of activities and projects to close the gaps comprising immediate quick hits, 6 month detailed actions and a 3 year roadmap.

Applying the Digital Maturity Model

Companies use the DMM to assess and benchmark their digital maturity. Assessing against the best practices of digital leaders informs a roadmap for actions required to transform employee skills and behaviors. This transformation then helps them derive benefits from digital initiatives and strategies to support the business strategy.

Shown below is a real life schematic of maturity levels as derived for a client. The client teams were administered a detailed assessment questionnaire. Each question is scored based on the maturity level of the participant. The scores are then aggregated at each attribute level and a composite score is derived for the team, and/or the organization taking the assessment. For this client, the scores were normalized to fall between 1-100 as shown below. Our subject matter experts derived the benchmarks for various digital maturity levels. A detailed interaction with client followed, to identify the priority areas of focus for upskilling (six areas as shown below were identified). Based on the results of assessment, current business strategy, budgetary constraints and indepth discussion on impactful upskilling, a desired score was arrived at for each of these competency areas.

Digital Maturity Level	Digital Competencies						Composite Score
	Digital Foundations	Digital Platforms	Customer Centricity	Data Driven Decision Making	Operational Efficiency	Digital Possibilities	
ICON (96-100)		96					
NATIVE (86-95)	87		90	87	90	88	Benchmark 90
PROFICIENT (76-85)	76	80	77	76	80	80	Desired Score 78
ADOPTER (51-75)	52	69	67	53	62	63	Current Score 61
BASIC (25-50)							

The Business Impact

A consensus is building around the business rationale of investing in Digital Maturity and Upskilling.

- 📈 Organizations with enhanced digital readiness are 2.5X more likely to realize required digital transformation benefits than those with lower readiness and maturity (Ref 2)
- 📈 70% of digital transformations fail, most often due to resistance from employees. **KPMG** (Ref 3)
- 📈 71% of digitally mature companies say they can attract top new talent .. compared to 10% of early-stage digital companies **FORBES** 26% (Ref 4)
- 📈 79% of CEOs see lack of digital skills in their employees as a threat to growth (Ref 5)
- 📈 Digital-first companies are 64% more likely than their peers—to have exceeded their top 2018 business goal. (Ref 6)

Investments in digital upskilling and digital maturity deliver against the four most important imperatives of organizational executives today:



Revenue Improvement

Ensuring your sales leadership and professionals have the skills, knowledge, confidence and motivation to capture the power of digital tools. Using them, they capture more business, retain the existing customers through a deeper understanding of customer behaviors, engage with them more intimately and collaborate more effectively. They become customer focused, more agile & truly data driven.



Operations Optimization

While the main focus of digital investments is to improve effectiveness and efficiency, digital investments will fail to deliver the benefits required if the people do not use the features of the technology or do not understand what is possible. We ensure that leadership and employees maximize their skills, knowledge, confidence, and motivation to adopt digital tools proactively understanding the power of digital, helping anticipate and respond to requirements for change and using more data and analytics support for improvements.



Customer Experience (CX) Improvement

With increasing evidence that CX performance directly relates to business revenue, profitability and competitive performance, digitally mature organizations leverage advanced digital tools to maximize customer delight. Providing world class digital experiences (web, mobile social and environmental), aligning non-digital experiences like contact centers, field, office and branch, ensuring that all employees and partners are constantly aware and notified of what is occurring between them and their customers and creating digitally bound customer, employee and partner ecosystems.



Employee Experience, Retention, and Engagement

Employees are as important an asset to your organization as your Customers. Employee Experience (EX) is increasingly being recognized as equally critical for business success. Doing so in a constantly evolving business environment means deploying the best digital tools and maximizing the leadership's and workforce's skills, knowledge, confidence, and motivation to use full power of digital. It involves enabling them to identify and deploy additional tools to become more agile in responding to customer requests. The highest performing EX companies are able to attract, retain, and maximize the productivity of the best talent within the organization. Icons tend to be companies that focus on both EX and CX

From Assessment to Upskilling:

Develop the plan to build digital capabilities

The big picture

The Digital Maturity Map™ emphasizes the digital depth of the workplace as a whole. It offers a comprehensive view of the digital capabilities within the organization. It highlights areas of strengths which could be enhanced & leveraged. It also highlights the gap in its digital maturity vis-à-vis the industry standards. Once the gaps have been identified and priorities defined, we help develop the roadmap & build capabilities for your digital aspirations.

Leader and workgroup perspectives

One of the most informative and powerful results of our assessment is the ability to compare leadership, teams/ workgroups, and workforce maturity perspectives. This allows targeting specific improvements by workgroup, gaps to close between leadership and the workforce ensuring the entire organization improves in unison given the interrelated nature of businesses.

A Roadmap

The model is not meant to imply that all organizations should seek to reach the “Native” or even “Proficient” levels in all areas. Rather, it highlights the most important areas in need of attention. Enhancing the digital capabilities within the organization is not a one-time deal, but a continuous effort. It helps our clients decide the strategy for investment in learning management across the enterprise. The resulting report provides precise recommendations on where & how to improve. It reveals discoveries that enable stakeholders to unlock business value for key business units or the company overall.

Current and planned initiatives

Every organization has a robust portfolio of current digital tools and capabilities, in flight projects and planned or proposed initiatives. These are important inputs as we review and prioritize solution options. There are usually a number of solution options to close a particular gap. Those solutions may have different probabilities of success, different timelines and different costs. Identifying and prioritizing solution options is a critical element to arrive at the ideal roadmap for success maximizing business impact and benefits.

The Enterprise Digital Academy (EDA)

One of our proprietary and most powerful solution options is to create an Enterprise Digital Academy (EDA) for a streamlined approach for institutionalized digital upskilling, armed with learning pathways, processes, tools, and content. The customized suite of proven learning modules accompanied by skills acquisition coaching and mentoring to ensure that you can continue to upskill new employees, and that your current employees can refresh their knowledge and your organization can continuously improve. This is a three step process, where we start by designing and building an EDA customized to your needs, then operating the EDA on desired workgroups, and finally transferring operation to your Learning or Digital organization.



Gestalt builds digital capabilities & enables digital culture in the workforce through our immersive learning programs. Work with our thought leaders and industry experts today to do any of the following,

#1 Digital Capabilities Assessment

Call us to schedule a discussion with our experts for a comprehensive skills assessment of the workforce

#2 Upskilling program design

design a holistic program for upskilling in the competency areas that are crucial in your business

#3 Immersive Learning Programs

drive a digital mindset in the workforce through our immersive learning programs.

#4 Enterprise Digital Academy

Schedule a discussion with our experts to help you set up a digital academy within your organization

CLIENT SUPPORT

For additional information please contact Client Support at
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Research Methodology

The research behind developing the model was conducted in two steps. The first one as described in the whitepaper was undertaken by our co-founders in Columbia University, during a six month (9Jul-Dec 2018) digital leadership program. The sample size for this research was 100+ G2000 executives, from US, Canada, Western Europe, Latin America, India and Singapore. It was evident from this research why most companies on the path of digital transformation were not able to realize the business benefits of their digital initiatives. Due to excessive technology focus, the people element was completely being ignored. Thus the Gestalt proprietary methodology for upskilling workforce was born. The findings were later corroborated by our subject matter experts, who conducted another survey of 100+ digital executives (Apr-Aug 2019). This exploration and validation went deeper into the four dimensions of Digital First Orientation, Digital Methodologies, Digital Technologies, Digital Functions which form the four pillars of Gestalt upskilling. For more details contact our client support below.

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