



THE THREE LEADERSHIP SKILLS TO TAKE YOUR BUSINESS DIGITAL

SURPRISINGLY MANY TRADITIONAL BUSINESSES ARE MASTERING DIGITAL AGILITY

By IMD Professor Carlos Cordon

IMD
Chemin de Bellerive 23
PO Box 915,
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

It would often seem that to succeed in the digital world, you need to be a young manager in a startup born with digital DNA, like [Alibaba](#), [Uber](#) or [Google](#). This is not the case.

Research I have conducted indicates that many traditional companies are successfully transitioning to become digital companies, steered by executives with greying hair rather than the tech-savvy youngsters who dominate digital startups.

Managers in companies like Dutch pharmaceutical retailer MEDIQ, or Adidas in Russia, have embraced the digital revolution and created significant competitive advantage. And there are three leadership characteristics evident in managers who successfully help traditional companies transition into leading digital businesses.

They look for new questions instead of answering old ones

Finding and answering new questions could lead to you creating a new, great and successful business model for your company.

As with most retailers, MEDIQ used to put a lot of effort into forecasting customer demand. In bygone times, the question was: “How do we forecast better?” But with the advent of big data, we are living in the most information rich period in history, which makes forecasting easier than ever. So MEDIQ changed its question to: “How do we take better care of our patients?”

It turns out that 80% of medication provided by MEDIQ is for chronic illnesses, which means constant medication.

By shifting the focus from forecasting to patient care and compliance, MEDIQ gained valuable insights. Fully 99% of patients go back to the same shop when renewing their prescriptions and they normally return to collect them on the same day each week or month. This knowledge has allowed MEDIQ to supply customers in a resource-efficient manner.

Under a new strategy, MEDIQ calls a patient if they don't collect their medicine on their regular day. This has improved patient satisfaction: they are receiving the drugs they need more consistently and feel that MEDIQ cares about their health.

They test a portfolio of new ideas and business models

The digital world is one of testing, learning and improving. Digital companies which succeed don't know which idea will be successful in advance, so they develop a portfolio of ideas and build on the most successful ones.

For example, retailers often test preferred customer collection techniques. Do customers want to purchase online and have their goods delivered to their home or work? Or do they prefer the newer approach of “click & collect”, where packages are collected from a local store? Perhaps counter-intuitively, a retailer found that in one city “click & collect” increased sales by more than 10% almost immediately.

Experimenting with ideas is vital to improve the customer experience, particularly in the digital space.

They work with fast learning cycles

When it comes to testing and improving ideas, good managers work with fast learning cycles.

Corporations typically measure “time to market” in years. In the digital world, the learning cycle is often measured in weeks. The way digital businesses do this is by testing ideas on a small scale, a process called minimum viable product (MVP). This means no committees or top management approvals, but instead moving with agility and making things happen.

[Carlos Cordon](#) is LEGO Professor of Strategy and Supply Chain Management at IMD. He teaches in IMD’s [Leading the Global Supply Chain](#).

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