



The evolution of modern *digital teams*.

What organizational structure, size, and job titles reveal about an organization's digital maturity.

Contents

<u>Executive summary</u>	3
<u>In pursuit of customer experience excellence</u>	5
<u>The changing digital landscape</u>	6
<u>Digital leadership and the decline of the CDO role</u>	8
<u>Deconstructing the digital team</u>	11
<u>Responsibilities, resources, and respect</u>	15
<u>Moving your digital transformation goals forward</u>	17
<u>The Digital Patch: Infusing expertise into laggard organizations</u>	18
<u>The Digital Jump: Prepare for an accelerated rate of change</u>	21
<u>The Digital Evolution: Make digital transformation an ongoing strategy</u>	23
<u>Digital for the duration</u>	26
<u>About</u>	27
<u>Source</u>	28

Customers no longer just want products—they want valuable experiences. Highly personalized experiences on any channel they choose to engage with. But companies have discovered that to meet these high expectations, they need an equally high level of digital expertise and technology—often beyond what IT or marketing departments can provide. To bridge the divide, an evolving function has emerged in the enterprise: the digital team.

Because digital teams and roles are provisional and in flux, we wanted to better understand the digital function within the enterprise and what they need to help their organizations succeed with their digital transformation goals. Our research on the evolution of modern digital teams, produced in partnership with consulting firm Lenati, is based on a global survey of 500 professionals who perform a digital function within their company across more than a half dozen industries in the U.S., UK, France, and Germany.

The research offers a unique look into the organizational structure, job functions, attitudes, and barriers for digital teams and roles, with a focus on how the presence, impact, and trajectory of digital roles correlate with an organization's level of digital maturity. Our report not only gives an in-depth look at how digital teams and roles function within organizations, but it also provides insight into the opportunities for companies to continue to improve their digital capabilities.

Key insights from the research include the following:

- The most **digitally mature organizations are embedding digital leaders and digital roles within the organization**, with digital leaders maintaining their titles (CIO, CMO, CEO). As a result, this has also led to a decline in the CDO role, which is now found most only within the least digitally mature organizations.
- **Digital maturity correlates to the impact of digital technology on revenue.** In organizations and industries where there is a direct impact of digital on revenue, maturity is high, while in laggard companies and industries, there is no direct impact on revenue.
- The expectation is that **digital teams will exist for the foreseeable future** (73 percent) with specific roles and functions remaining the same for the next few years (70 percent).
- **The need for digital expertise among team members** (64 percent) remains the most significant barrier for digital teams, but inadequate budget allocation (62 percent), an undefined direction for teams (59 percent), a lack of strategic leadership (55 percent), and a sub-par tech stack (55 percent) were also cited as major concerns that could prohibit digital teams from achieving their goals.
- Overall, **digital teams feel that their goals are being prioritized** by decision makers in their organization (81 percent) and that their **teams have respect throughout the organization** (82 percent).

In pursuit of customer experience *excellence*

Whether someone is signing up for a bank loan, booking a hotel room, or streaming the Monday evening football game, they expect an effortless experience—one that shows you know who they are and can use that information to better the experience. As companies strive to deliver on these expectations, there's a need for specialized technical knowledge and data expertise beyond what IT and marketing teams can provide.

Digital roles and teams are stepping in to fill this gap. These teams are addressing the gap to lead digital transformation by identifying and implementing the best digital practices and standards for digital technology acquisition, implementation, and innovation.

To better understand what trends are shaping these digital teams and how they've evolved, we partnered with Lenati to survey 500 individuals working in digital roles in four different countries across multiple industries. This survey and benchmark report offer a unique look into how organizations are structuring their digital teams and the attitudes and challenges surrounding this emerging function as well as strategies for digital teams to strengthen their digital capabilities.

The changing *digital* landscape

Digitally savvy consumers are rapidly moving to digital channels to conduct every aspect of their daily lives—from shopping to healthcare to government services. In response, digital leaders are continuously pushing benchmarks higher for entire industries and businesses while followers scramble to attain a same level of customer centricity.

Digital roles and teams are important within every organization as a translator function, enabling communications and collaboration between marketing and IT. They also often have an innovation charter and may be responsible for, or a contributor to new business models. A primary purpose of their role is to ensure a nonstop focus on evolving and future-proofing the company.

To this end, we found that digital teams and those in digital roles are intensely aware of processes, like how their company sells and markets to customers and how customers are expecting to make purchases or engage with the business. This also helps to explain why the presence of digital roles and job titles is often an indicator of an organization actively ramping up evaluation, acquisition, and usage of advertising and marketing technology.

While our research showed that digital teams are prevalent across all industries and organizations (91 percent of those surveyed said their organization has a digital team), one of the most fascinating findings was that the digital maturity of an organization was most likely to influence the organizational structure, size, and even prevailing attitudes and challenges faced by digital teams. From our research, we found companies fell into one of three levels of digital maturity:

- **The Digital Patch:** These are digital laggard organizations whose primary goal is to update outdated technology.
- **The Digital Jump:** These are average to even industry-leading organizations where the focus is on putting teams together long enough to evaluate, implement, and produce best practices for a solution.
- **The Digital Evolution:** Within these organizations, digital is or will be critical to revenue generation and business practices. They represent a cultural shift toward digital, advocating for and prioritizing digital teams.

Naturally, there are a number of factors that contribute to an organization's digital maturity, but our research indicated that the presence, impact, and trajectory of digital roles within an organization was strongly influenced by the level of disruption faced, the level of digital maturity, and the cultural openness of the organization to change.

Industries that depend on digital for revenue, like retail, technology, and travel and hospitality, tend to be the most digitally mature. Alternatively, highly regulated industries like healthcare and government tend to be furthest behind, as well as manufacturing, where revenue still isn't as directly tied to digital channels.

But the financial services industry stood out from this trend. While delivering digital customer experiences is a high priority for financial services and can have a direct impact on revenue, the industry falls into the Digital Jump category because digital responsibilities tend to be more distributed across teams in these organizations. Consequently, decisions often must be approved by many stakeholders, which leads to slower overall speed in acquisition and innovation.

Digital leadership and the decline of the *CDO role*

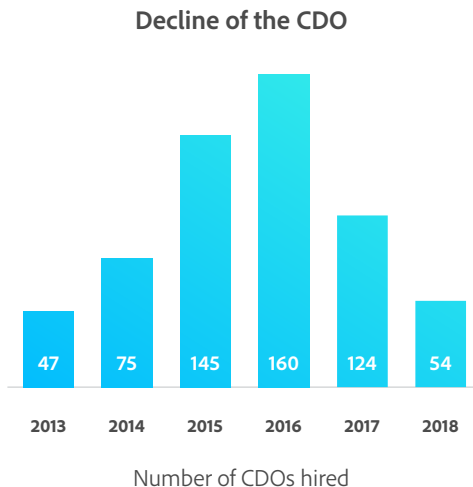
Successful leadership cannot succeed in a silo. But too often, in laggard organizations, digital leaders are being asked to do just that. Despite being tasked to break down silos, update the tech stack, or accelerate change, CDOs in laggard organizations primarily work by themselves. Not surprisingly, they struggle to achieve their digital transformation goals and their tenure is often short-lived (1–2 years).

“The board brought me in for digital transformation but didn’t equip me with any of the tools. I don’t have what I need and I’m not given the money to get it.”

—Shabbir

Digital Operations Director (CDO-Level), Media and Communications Industry

A key problem with the CDO role is the ambiguity and requirement of organizational buy-in. It’s also likely a primary reason why we see a decline of the CDO role overall. This trend is especially true in more digitally mature organizations, where digital leaders maintain their titles, like CIO or CMO, while influencing the organization’s digital functions and objectives from within their current roles and responsibilities. Smart organizations today are pivoting from just transforming or digitizing their processes to evolving to become digital businesses—and this extends across the organization.



Source: Lenati

Despite the decline of CDOs, they remain the most predominant leader of digital teams (38 percent) and can be relationship builders across the organization. Where the CDO role does remain in more digitally mature organizations, their position is more embedded and cross-functional. Directors of digital or innovation titles are also common (27 percent) as well as marketing and IT roles, like directors of digital marketing (13 percent). Overall, digital leadership is still a relatively new position, with most digital lead positions (82 percent) falling within the one- to five-year range.

“A CDO, in my eyes, is a cross-functional role that partners with many stakeholders throughout the organization to make digital business a reality.”

—Gabie Boko

Global Vice President of Digital, Hewlett Packard Enterprise

Deconstructing the *digital team*

While a good CDO may be busy working themselves out of a job, there's still a strong need within organizations for digital knowledge and skillsets. The creation of digital teams is the most common method of harnessing that knowledge within an organization. But by performing functions that no one else in the organization does (79 percent), digital teams often do not have internal knowledge resources outside of their own teams—and they may even lack the expertise they need internally.

“I could count on two hands the number of people who have digital knowledge [in our company]. A lot of people have been here for a long time, which is part of the problem.”

—Rupesh
VP of IT, Travel Industry

The need for digital expertise is seen as the most significant barrier to being able to achieve team and organizational goals, according to 64 percent of those surveyed. This need for further digital expertise was a challenge across all industries and all maturity levels, though it was most notable among the most digitally mature organizations and those that are moderately mature. At laggard organizations, no advocacy among organization leadership and a

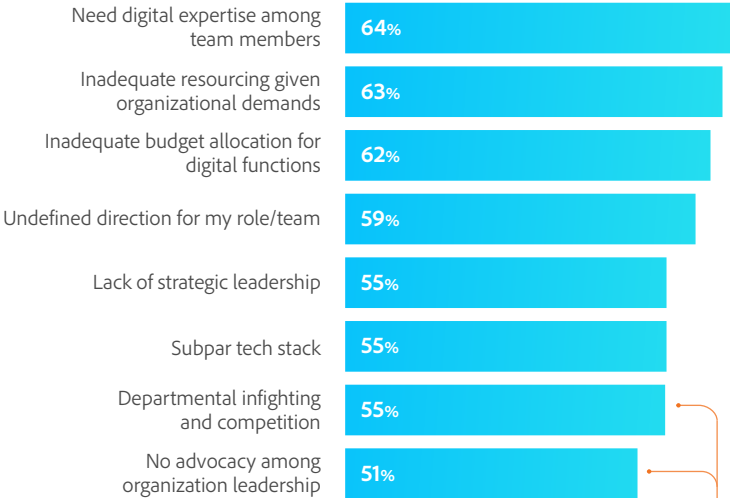
subpar tech stack were bigger challenges. However, inadequate resourcing (63 percent) and budget allocation (62 percent) were common issues across all maturity levels, particularly in laggard organizations where the purchasing power lies mainly between CEOs and CMOs.

“Budget for technology is a problem. The people who pay for it think their department has nothing to gain from it. It is my job to make them understand.”

—Ralph
Director of Multichannel, Technology Industry

Digital team barriers

What are the most significant barriers that get in your way when doing your job and achieving your goals?



Overall, advocacy and infighting are not issues in organizations with digital teams already present.

Other aspects of digital teams, like team size and team composition, also play out along digital maturity lines. Most teams (52 percent) are between 5 and 15 members, while organizations with smaller digital teams tend to also be the least digitally mature. These smaller teams often wear many hats as their team is a catch-all for everything digital. As teams and capabilities grow and the organization matures digitally, their roles become more defined.

5–15 members

Size of most (52%) digital teams

Another indicator of digital maturity is team composition. In the least mature organizations, the team is small and heavily weighted toward a digital lead role. At the moderate maturity level, we saw teams composed of a mix of digital leadership, analysts, and consultants. And at the highest maturity level, teams are more complex and larger, and they included additional roles like data scientists, product experts, and marketing specialists.

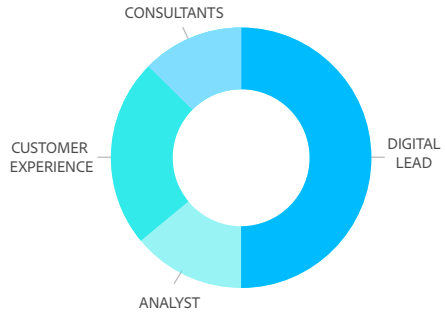
Digital team composition by maturity level

Refer to page 7 for definitions for digital patch, digital jump, and digital evolution.

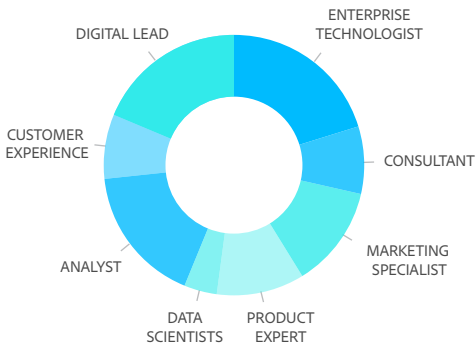
Digital Patch



Digital Jump



Digital Evolution



Responsibilities, resources, and *respect*

We saw across the board that most digital teams felt they had support for their role within the organization. As many as 82 percent said they felt their department was well respected in the organization, and 72 percent believed that their organization allocates an appropriate amount of budget toward digital initiatives. For the most part, digital teams also felt that their organization had made digital transformation a priority (82 percent).

- **Eighty-two percent** say their department is well respected in the organization.
- **Eighty-one percent** say their organization has made digital transformation a priority.
- **Seventy-four percent** say their organization is adopting digital technology at a pace to keep up with industry leaders.
- **Seventy-two percent** say their organization allocates an appropriate amount of budget toward digital initiatives.
- **Seventy-two percent** say their team and its resources and budget are continually growing.

That said, where we did see a greater discrepancy in teams by maturity level was in how their responsibilities were structured within the organization. A strong indicator of a company's digital maturity is whether digital responsibilities are organic across the organization or dip into IT and marketing for support.

Our research found that there are fewer resources to allocate to digital in the least digitally mature organizations. This means that CDOs or equivalent roles are expected to overhaul a company's technology by themselves. Often, they're only given an analyst to work with and must do much of the execution themselves. These laggard organizations are also more likely to use outside digital agencies than more mature organizations, particularly for digital strategy engineering and implementation. Yet the tenure of outside agencies tends to be short lived.

In moderately mature companies, the digital team often sits underneath the CIO. While they are technically part of IT and are likely to have overlap with IT roles, they would never align or describe themselves as part of the IT department. But they can and do tap into IT expertise as needed.

In the most digitally mature organizations, the research shows that digital teams have multiple layers of responsibility. Teams tend to grow at the bottom of the organization rather than from the top, adding more architects, analysts, and engineers to expand the team capabilities. More mature organizations are far more likely to hire agencies for long-term engagements with the intent of developing a lasting partnership.

“My goal was to develop strategy on the technology side and how it ties into business strategy. As part of that, I had different focus areas identified, and out of those focus areas, I started setting up the team. Obviously, I couldn’t do it all. I grew the team from me to about 40 plus in the span of a couple of years.”

—Alona

Digital Delivery Lead, Financial Services Industry

Moving your digital transformation goals *forward*

As digital teams continue to evolve as a valuable and essential part of delivering customer-centric experiences, organizations at all levels of digital maturity will still need to innovate and transform their digital practices and tech stack to ensure they remain competitive now and in the future.

This next section provides an analysis of each digital maturity level, looking at priorities and challenges along with a set of recommendations.

THE DIGITAL PATCH:

Infusing expertise into *laggard* organizations

As mentioned earlier, for companies and industries at the Digital Patch level, digital transformation is primarily about bringing outdated technology up to date with a short-term patch. In many cases, the digital lead, often a CDO, is brought in from a consulting firm. Teams are small or may just be the CDO. They focus on cost, speed of production, and compatibility with existing systems—and the tenure of the CDO is short-lived.

However, with little to no advocacy among the organization's leadership, a subpar tech stack, and undefined direction for their role or team, most digital leaders and teams struggle to achieve success with even the goal of patching up the organization's tech stack.

“We don’t really get the opportunity to succeed when we’re given a handful of dollars. I’ve got three people expected to transform our whole [organization]. The standard needs to be adjusted to reflect that.”

—Alan

VP of Strategy, Manufacturing Industry

Recommendations

When talking to companies within laggard industries or companies that are far behind the curve, we have seen success come more often from the outside. Attempting to create a team exclusively from internal personnel can save resources, but it ultimately may fail if there's no existing knowledge base around digital.

“When you want to accelerate the development of a collective digital adoption, what I’m observing is that it’s much more effective to bring people from the outside—people who have already developed the expertise and can hit the ground running within a week after joining the bank.”

—Pascal

Wholesale Digital Strategist, Financial Services Industry

Encouragingly, we’ve also seen that these organizations can make inroads toward increasing their digital maturity and can even move from being in the Digital Patch category to becoming a full-fledged Digital Evolution organization. While the primary focus is on updating the tech stack, implementing the following organizational changes will also help these organizations achieve holistic and integrated omnichannel data available to everyone within the organization—an achievement that will allow them to deliver more seamless digital experiences to customers.

Suggested organizational changes include the following:

- Connect data strategy to overall business strategy to drive the right prioritization, investments, and talent acquisition and allocation.
- Integrate data from online channels and sources when ingesting basic first-party data from one or two sources.
- Centralize the guidance of governance standards, data taxonomies, and integration rules so that they are no longer reactive or on a per-project basis but practiced across the organization.
- Ensure the organization can at least manually identify a single customer across various systems, ideally in real time.
- Be able to deliver clean basic reporting that provides analyses on cause and effect relationships, like anomaly detection and contribution analysis, with the ability for more robust reporting upon request.

THE DIGITAL JUMP:

Prepare for an *accelerated* rate of change

Organizations that have made it to the Digital Jump have a solid bedrock of technology to work with, but digital capabilities have been added piece by piece over time without the resources for these acquisitions or innovations to be constant.

Teams are put together for long enough to evaluate, implement, and produce best practices for a solution before dissolving or decreasing in size. However, the digital procedures and best practices remain. Unlike those in the Digital Patch category, Digital Jump organizations can benefit from bringing internal resources onto the team, as this will help redistribute the knowledge throughout the organization when teams do disband.

While many of these organizations are even industry-leading organizations, they still struggle with a lack of strategic leadership and the need for more relevant digital expertise among team members as well as a subpar tech stack due to its piecemeal nature.

Recommendations

One piece of advice that could help Digital Jump organizations as they scale their digital offerings and capabilities is that strategic planning needs to

expand. They should also consider including long-term changes in the business infrastructure.

“As you grow, there are more people to include, there’s more downstream from the effects of decisions you make. Early on, you can get five people in a room, make a decision, and you’re fine.... Now, we’re making 24-plus monthly decisions.... I think that’s only going to keep increasing.”

—Jeremy

Senior Director of Marketing Product and Analytics, Retail Industry

Digital teams in the Digital Jump category will have the greatest success when they focus on achieving the following:

- Develop data strategy in parallel with business strategy.
- Integrate offline data in addition to online data.
- Consistently adopt centralized guidance for governance standards, data taxonomies, and integration rules.
- Enable a primary customer ID to ensure a unified view of the customer.
- Create customer segments centrally with a cross-channel data set and customer profile.
- Use advanced capabilities, such as predictive models and attribution, to evolve the business.
- Enable a culture of data democratization through automated relevant reports and real-time alerts with insights.

THE DIGITAL EVOLUTION:

Make digital transformation an ongoing *strategy*

For these organizations and industries, digital is either critical to revenue generation and business practices or it will be soon. Budget is high, teams are large, acquisition is consistent and continuous, and there is a cultural shift toward digital, including advocating for and prioritizing digital teams. Priorities include improving compatibility and integrating existing systems, reducing the complexity of tool functions, and speeding production.

In terms of delivering a differentiated customer experience, Digital Evolution organizations already have a data strategy that proactively informs the future business strategy and holistic omni-channel data available to the organization. Data teams can capture and integrate all sources of first-party data and can reconcile identity across data sources. Governance standards, data taxonomies, and integration rules are consistently adopted with centralized guidance and improved on an ongoing basis.

However, despite being digitally advanced, there is still a need for more relevant digital subject matter expertise and a need for more defined direction for the digital team.

Recommendations

The length of time in digital environments is an important consideration for those in the Digital Evolution category. Younger companies in the digital space have less baggage or fewer legacy systems to upgrade. For organizations with more aged layers in their tech stack, scaling up to newer technology will be necessary and shouldn't be done in isolation. The wider the scope of scaling required, the greater the importance of having inter-departmental conversations becomes.

“Because we only started five years ago, we’re in a good spot where we don’t have a lot of legacy systems that we can’t replace. However, some current processes and current solutions will become ‘legacy solutions.’ With the rate that things are changing, that could be something that we need to reconsider all of a sudden.”

—Alan

Director of Digital Innovation and Strategy, Retail Industry

While these organizations have a strong digital foundation, there is room for further strengthening by continuing to add the following capabilities:

- Use a single, portable customer ID to achieve highly personalized and optimized communications.
- Drive business insights via dynamic pattern discovery that can shape attribution models and recommendations.
- Improve predictive and prescriptive models by investing heavily in data science.
- Democratize data to allow for real-time data availability and manipulation via self-service tools.
- Use AI and automation to deliver automatic insights and discover high-value segments.

Digital for the *duration*

Overall, spirits are high within digital teams, with 82 percent feeling their department is well respected and 81 percent saying their organization has made digital transformation a priority. But keeping up with customer expectations is a constant endeavor, requiring digital teams to not only stay on top of best practices but to continually innovate. Those organizations that invest in and structure their digital teams for success will reap the biggest benefits, including loyal, returning customers and increased growth.

“Innovative digital teams will always be working toward creating and enabling the best customer experiences so that they aren’t just digitizing but are instead evolving as a company into something that will be more forward, much more aggressive, and hopefully more successful as the years go by.”

—Gabie Boko

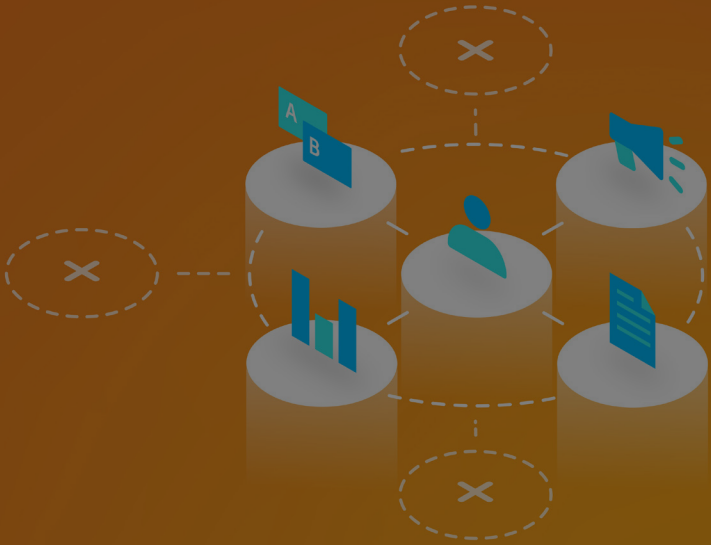
Global Vice President of Digital, Hewlett Packard Enterprise

Learn how Adobe can help you build a digital foundation for success.

[Get details](#)

Source

"The 2019 Chief Digital Officer Study Global Findings," PwC Strategy&, 2019.



Copyright © 2020 Adobe Inc. All rights reserved. Adobe and the Adobe logo are either registered trademarks or trademarks of Adobe Inc. in the United States and/or other countries.