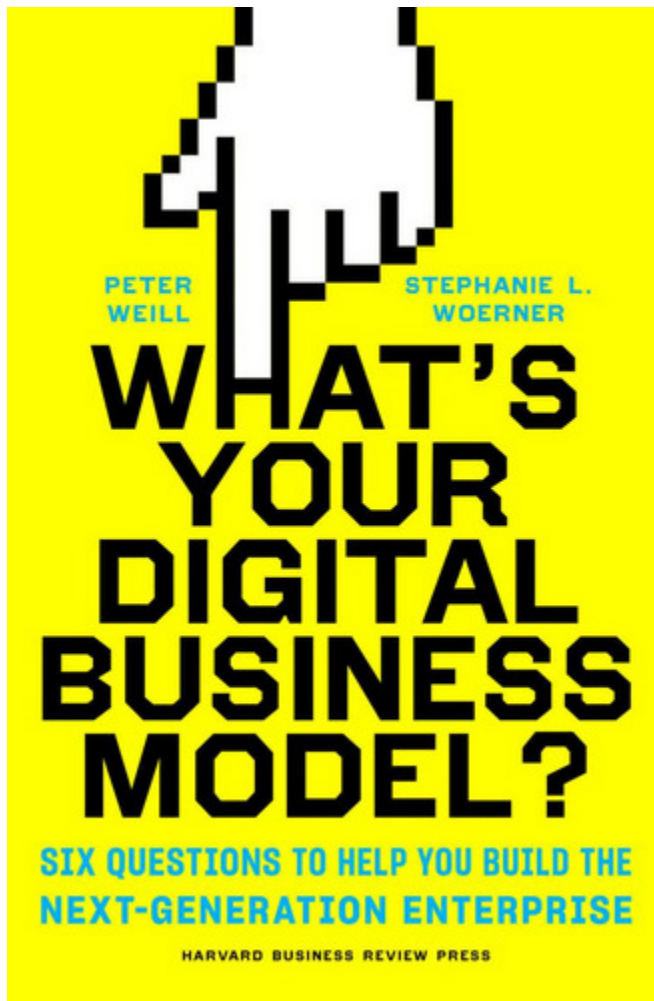


# A BETTER UNDERSTANDING

## Authors use evidence-based results

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*“What’s Your Digital Business Model? Six Questions to Help You Build the Next-Generation Enterprise” by Peter Weill and Stephanie L. Woerner. Boston: Harvard Business Review Press, 2018, 256 pages, \$32 (hardcover).*



“In this book, we introduce a simple but powerful digital business model framework and language to help executives think about their competitive environments in the digital era,” Peter Weill and Stephanie Woerner explain in the introductory chapter of “What’s Your Digital Business Model? Six Questions to Help You Build the Next-Generation Enterprise,” their new primer on the constantly-evolving world of digital commerce and how to understand and better navigate the turbulent rivers on which it is gaining momentum. “The framework will enable leaders to understand where they are in their digital journey, where they have to go and which best practices will get them there. We derived the framework and material for this book by studying top financial performers and drawing on five years of field-based research, executive education, meeting and workshop facilitation, and advising. Moreover, we have studied 50 companies with in-person interviews and more than a thousand companies through survey data collected over six surveys.”

Right off the bat, Weill and Woerner want the reader to know that, unlike many of their contemporaries exploring the same subject matter, the recommendations they are putting forward in the current treatise are evidence-based and data-

driven. And after reading this exquisitely-written handbook on how to maximize the probability of success in an environment where everything that came before the digital age is quickly being relegated to the legendary dustbin of ideas that no longer work, I have concluded their contribution does indeed stand head and shoulders above those of many of their colleagues who are attempting to compete in the same arena.

“What’s Your Digital Business Model?” is extensively researched, with 18 pages of source notes included after the introduction, six chapters and a conclusion that form the main narrative. Structurally, the manuscript is constructed around the “six questions” referenced in the title: (1) How strong is the digital threat to your business model? (2) Which business model is best for your enterprise’s future? (3) What is your competitive advantage? (4) How will you use mobile technologies and the internet of things to connect and learn? (5) Are you buying options for the future and preparing for the necessary

organizational surgery? and (6) Do you have the leadership at all levels to make transformation happen?

I think most of us would agree that, if we knew the answers to these six key questions in sufficient detail, we would be in position not just to survive the digital transformation taking place in every sector of the economy, but – if we properly conceptualize and act upon the information and insights we have acquired – we would be poised to dominate the market in our particular industry. The good news is that Weill and Woerner have provided an invaluable roadmap that has the potential to take us to the proverbial promised land. The bad news is that the excursion is probably going to get pretty bumpy, so we'd better have both the resolve as well as the resilience to persevere through the storms we will have to overcome to reach our destination intact.

As the authors point out in the third chapter – What Is Your Digital Competitive Advantage? – the first step in your transition to the Brave New World invariably involves coming to terms with an entirely new way of viewing how business is conducted: “Before the internet, businesses operated primarily on a physical world of place: tangible, product-based, and customer-transaction-oriented. To delight customers, businesses relied on places – such as bank branches, department stores, university classrooms, and medical clinics – and people, in the form of sales teams, insurance agents, teachers, and doctors. Today, all industries – moving at different rates – are shifting toward a world of digital space. Their offerings are more intangible, more service-based, and more customer-experience-oriented, with business conducted largely through computers, mobile devices and apps.”

In addition to the results of numerous research studies with their corresponding implications for best practice, the book is literally filled with case studies, organizational profiles, anecdotes and a number of self-assessments designed to give the reader a more realistic understanding of strengths and weaknesses when it comes to their ability to successfully execute the ideas they are learning more about in each successive section of the text. Personally, I found these enhancements invaluable to conceptualizing and reinforcing the central theme of the book; i.e., we are not in Kansas anymore. For example, when the authors mention DBS Bank, apparently one of the largest financial institutions in Asia, they take the time to provide a snapshot of the company that includes a brief history, present status and future prospects.

A senior research scientist, Weill is also chair of the Center for Information Systems Research at the MIT Sloan School of Management. His articles have appeared in Harvard Business Review, Sloan Management Review and the Wall Street Journal; his previous books include “IT Savvy: What Top Executives Must Know to Go from Pain to Gain” and “IT Governance: How Top Performers Manage IT Decisions for Superior Results.” Woerner is a research scientist at CISR; she has co-authored several journal articles. Her resume includes a stint with the Wall Street Journal CEO Council as an expert on enterprise digitization.

Although Weill and Woerner make a convincing case that digital commerce requires an entirely new approach with respect to overall strategy, they do acknowledge the critical role leadership has always played whenever a transformative disruption has occurred. The more some things change, the more other things stay virtually the same, as noted in the conclusion:

“Leadership is important – no kidding! But it turns out that, in digital business transformation, company leaders have at least two jobs: (1) focusing the organization on new business models and new sources of competitive advantage and (2) changing the culture so that the company will not only achieve the targets but also continue to adapt in the next decade and more. We think leading a transformation is a core enterprise skill that leaders need to develop now and in the future.”

I recommend this one to anyone who wants a better understanding of what lies ahead.

– Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.