For my children, Enzo, Boaz and Tirza, and all other
digital natives from Generation Z. Along with Generation Y,
they will form nearly three-fourths of the active workforce
in companies and the public sector in 2025.
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“Writing is easy, you just have to cross out the wrong words.”

Mark Twain
1835 - 1910
DIGITAL EMPATHY

WHY THERE’S NO GETTING AWAY FROM IT
Ask a CEO what he or she lies awake at night thinking about and eliminate all the household problems (mortgage, kids, and parents). Chances are that “Can't keep up with the pace of change” will be somewhere at the top of the list. In this boardroom nightmare, the business model is brought down by a disruptive newcomer. This is all about advances in technology. IT not only forms the basis for nearly every existing business process, but it is also the deciding factor in an organization’s speed and maneuverability. In other words, IT has gone from being a side issue to a major issue. Many a CEO feels the pressure: “We need to transform into a digital company!” At conferences and in the media, disruption, exponential development, and digital transformation are increasingly the leading topics.

But let’s be honest. Most companies are not Uber, Google, Apple, or Airbnb – far from it. They are neither trendsetting nor agile. Disruptive, perhaps? Not by a long shot. Most companies just keep on toiling away every day in order to survive. Senior executives and CIOs of the larger organizations realize that it takes a lot of time and energy to keep IT systems up and running. After nearly half a century, many companies see IT as synonymous with a complex succession of generations of technology. Maneuverability and flexibility are not exactly the fortes of the average IT environment. That makes it difficult to keep pace with change – let alone make it through digital transformation unscathed. Why is this important? Because anyone who still wants to be around in ten years will need to change course: from the traditional shareholder value model to creating lasting customer value. A company’s ability to differentiate itself lies not in more products but in services and the customer experience. As the economy goes increasingly digital, it will become ever more important to understand what drives customers, what makes employees successful, and what makes companies relevant. The key to success is empathy.

For an organization to clear all these hurdles, the business side and IT side need to work together as a seamless whole. That means sharing the same basic principles and goals as well as speaking the same language. Just as in any relationship, that calls for trust and respect. But people who work in the IT department of a large organization often hear their co-workers complain that they don’t get the respect, esteem, or trust that they deserve. The low standing of IT inside the company stands in stark contrast to the increasing importance of new information technology to a company's right to exist. So what’s going on here? Have IT professionals made it too difficult for the business organization to work with them? Yes. IT still often speaks a language that is incomprehensible to the rest of the organization. IT got away with that for quite a while, which is no big surprise given its internal monopoly on supplying the business organization with computerization. And in doing so, IT left its mark on systems, processes, and procedures – and on end users.

But it’s all over as far as the IT monopoly is concerned. Willing or unwilling, business organizations are going their own way today. Cloud IT and mobile applications are major drivers behind shadow IT: systems and solutions that are acquired and applied beyond the IT
organization’s range. There are all kinds of risks to these under-the-radar actions by the business organization, which would make an outright ban seem like a logical response. The pressure and desire the business experiences to think digitally for itself only increases. The real reason for shadow IT goes much deeper: a lack of trust in IT.

Ask business managers what they really think of their IT organization and you can expect to hear words like “aloof,” “slow,” “over-detailed,” “difficult,” “stubborn,” “incomprehensible,” and “bureaucratic.” Recurring experiences with unsuccessful IT projects and incidents define how managers see their IT organization. Trust has been betrayed in the other direction too. Ask IT professionals what they think of their business organization and they also have negative associations: “unrealistic,” “nagging,” “oblivious,” “naive,” and “condescending.” When things go wrong in the business organization, people are quick to blame IT.

These mutual prejudices are demonstrative of a gap between the business organization and IT. When management says the company is on its way to becoming a tech company, it’s time to give short shrift to the division between us (IT) and them (the rest of the company). That gap cannot be “repaired overnight” with a new process, trendy tools or a nifty program for business-IT alignment. For digital transformation, that gap has to be more than just narrowed: it needs to be closed. Change starts with you, by admitting that there’s a gap and that it’s a problem for you and the other side alike. To strengthen mutual trust, both sides need affective and cognitive skills: hearts and minds. The main ingredient for successful IT transformation is the development of empathy. Only then can the gap between the real world and the world of technology and processes be closed.

Marco Gianotten
Chief Executive Officer

Empathy
What’s the cheapest incident to resolve?

“The secret of change is to focus all of your energy, not on fighting the old, but on building the new.”

Socrates
X - 399 BC
When Fortran and Cobol (the first programming languages) were introduced, that’s when the initial divide in IT between development and management was made. In the course of time IT continued to grow, which made it necessary to become more specialized in tasks such as networking and project management. Starting in the 1980s, IT organizations then started dividing, contracting out, and outsourcing their service domains. Their hardware was supplied by vendor A, management by vendor B, and connectivity by vendor C. Business applications were built by vendor X, maintained by vendor Y, and hosted by vendor Z. Although initially a technical exercise, this segregation of duties definitely left its mark on the department’s culture. Relationships with customers were laid down in long contracts and Service Level Agreements (SLAs). And in order to monitor the complex internal processes, IT departments started working with lots of technical Key Performance Indicators (KPIs), such as the average availability of servers and maximum delay of data traffic in a network. IT performance was charted in reports and scorecards, but its relationship to processes in the business organization and among end users was becoming increasingly muddled – just like with the relationships between the different specializations inside IT.

KPIs and Reality
The purpose of KPIs is to provide information, but because of them decision-makers can lose touch with reality. In the world of Fast Moving Consumer Goods (FMCG), product safety is a top priority. If a food and beverage company has issues with its food safety because of a problem in production, its reputation is at stake. Recalls are not
good for a brand’s image, which would make a KPI like “no recalls” logical. Or would such a KPI destroy an open safety culture? Food and beverage company Nestlé became involved in a long drawn-out lawsuit with a whistleblower, former Food Safety Manager Yasmine Motarjemi. She said that a repressive management culture, combined with bonuses for “no recalls”, had led to downplaying incidents such as where babies had nearly choked when eating a baby cookie. With product safety, it is important how senior management reacts to anomalies in quality. Which is the deciding factor in that case: ethics or profits? “No recalls” is a noble KPI where internal operational excellence is concerned, but it does not do much good to the world outside.

By continuing to think along the lines of technology, numbers and details (hardware, network, software, and devices) instead of targeted business outcomes and productive end users (profit, success, impact), IT got more and more out of touch with the outside world. IT was mainly geared to keeping systems up and running; hardly any time was set aside for thinking about alternative ways of doing things. Are the services supplied by the IT department or external service provider helping the business or actually hurting it? In short, there was no connection between technology and day-to-day business.

**THE OUTSIDE WORLD RATTLES THE DOORS OF IT**

For quite some time, IT professionals had little cause to consider end users or the context of the organization. IT was run like the engine room of a supertanker: all the machinery needed to be kept running smoothly. There was not much reason for the people in the engine room to know what was going on in the pilothouse: what is our course, what circumstances do we need to bear in mind, and what changes are on the horizon?

**Consumers Expect More**

Over the past ten years, technology and globalization have transformed the field of IT. First of all, consumers and employees (who are also consumers) expect more from the products and services supplied by companies. In their daily life, consumers make extensive use of cloud IT and mobile applications while having faith in the good intentions where their privacy and security are concerned. In e-commerce, long gone are the days when purchasing decisions were based on price. What’s important today are all the services surrounding the product: a well-organized webstore providing clear information, fast delivery times, and a good returns policy. For banks, electronic banking is no longer a unique selling point but a dissatisfier if the online environment is prone to downtime. Companies that burden customers with IT processes that do not function properly – making trusted services unavailable – create an aversion avalanche on social media. Consumers have therefore taken a dominant position. User experience, user interaction, and customer experience are becoming the guiding principles for more and more companies in the development of new products and services. In design thinking, where innovation is achieved through co-creation, the focus is not only on the product or service but also on the customer experience. That increases the chance of commercial success. If the product is
awkward, does not make things more convenient or fails to help solve a problem, that product will not be accepted, will not be embraced.
“Start with the experience and work your way backwards to the technology”, the mantra of Steve Jobs, is one of the basic principles of design thinking.

Experience Rules
In designing the interior of the Boeing 787 Dreamliner, psychologists were asked to determine what people wanted during a flight, even if they were unable to put that into words. “I want more legroom” is a no-brainer, but “I don’t want to feel closed in” sounded strange to the aeronautical engineers coming from passengers who were prepared to sit in a closed tube at an altitude of more than 30,000 feet with an outside temperature of -58 Fahrenheit. Our sense of space is created mainly by our peripheral vision: what we can see outside our central field of view. Two illuminated arches over the width of the airplane have been incorporated into the Dreamliner’s internal design. They carry the eye upwards and create the impression of more space than, for instance, in a Boeing 777 (which is actually bigger than the Dreamliner).

In his bestseller A Whole New Mind, Daniel Pink explains that in our changing world content is gradually taking a backseat to context, which is gaining in importance – also in sectors where innovation has traditionally been more technical by nature. When automotive company Porsche unveiled the Mission E, an all-electric concept car, in September 2015, the first thing they talked about was its emotional design. Only then did they move on to the car’s excellent technical performance features. To make driving an electric car a success, the emotional experience of the design (right side of the brain) is at least as important as the car’s environmental aspects and technical performance (left side of the brain).

New Rules, Different Pace
There is a second trend that should give traditional IT professionals a shake-up. It turns out – not for the first time – that established business models are vulnerable to disruptive newcomers. Sectors like financial services and the electric power industry can no longer rely on the status quo. A revenue model lasts only so long; once a competitor comes along who makes things more intelligent, faster or better for consumers, the model’s time is up. Innovation no longer hinges on size, an established position or capital but on creativity, speed, and empathy. We have all heard of disruptive companies like Airbnb and Uber, but most companies are faced with the challenge of adapting on time and successfully to the digital world. This is about more than just keeping up with all the changes in the market. Cutting costs – so as to compete with newcomers without legacy systems – is also vital. The same goes for boosting reliability and security in order to protect the business organization from dangers from cyberspace and make it fully compliant with laws and regulations.

The pressure on IT from the outside is enormous.
NOTES


READING LIST

Tips from the author:


- Stickdorn, M. & Schneider J. (2011). This is Service Design Thinking: Basics – Tools – Cases. Amsterdam: BIS publishers
