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Why Boards of Directors Need a Digital Leader



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THOMAS H. DAVENPORT: One aspect of contemporary organizations for which there is often insufficient leadership is the move to digitization of a company’s business. The [market researcher IDC](#) predicts that by the end of 2017, two-thirds of Global 2000 businesses “will have digital transformation at the center of their corporate strategies.”

How a company digitizes itself can make the difference between business success and failure today, and it can involve massive investments. But this sort of transformational change requires senior leadership, and few companies have internal leaders who are familiar with digitization or who have led it previously.

With such a shortage of internal experience, here’s an alternative: Find an experienced digitizer and add that person to the board of directors. A digital hand on the board can help dramatically in an organization’s transformation. He or she can advise the CEO, help to guide major investments, monitor progress toward digital goals, and make connections to other organizations with similar issues. A board member won’t oversee day-to-day digital projects, but can provide resources and motivation to help them succeed.

The trick is finding such a person. Almost every company might like a board member who is a large company CEO with a great deal of digital experience, but [they are hard to come by](#). As a result, search firms often stretch the definition of “digitally experienced.” [One list of digitally-](#)

focused directors placed by a search firm, for example, listed board members with backgrounds in cable television, universities and publishing companies—few members of which industries have transformed themselves into digital paragons.

Given that C-suite digital experts are hard to find, it may make sense to look at a variety of other types of candidates. That could include, for example, senior consultants in the digital domain, successful entrepreneurs, practice-oriented university professors and deans, and even some former government officials with digital expertise (the Obama administration is probably the first U.S. federal administration to include any). In addition to CEOs of highly-digitized companies, other relevant executive roles for board members include chief information officers, chief digital officers, chief data officers and chief information security officers.

Some of these candidates won't necessarily possess the gravitas and gray hair of a typical board candidate. But a part of digital transformation is cultural change, and a board member with a ponytail and an attitude isn't necessarily a bad thing. Of course, other board members will ultimately need to coalesce around the need for cultural transformation if the change is going to succeed.

For those digitally-savvy board members, it probably isn't going to be enough for them to simply attend quarterly board meetings. They need to get a better sense of the digital transformation than such infrequent visits would provide. True leadership would require regular meetings with digitally-oriented executives, reviews of plans and strategies, interviews with potential hires, and even discussions with external consultants and vendors. It may also make sense to set up an ongoing committee of company executives and board members who address digital issues. The SEC doesn't mandate that companies have a Digital Transformation Committee, but it's not a bad idea anyway. When staffed with the right board members and senior technology executives, it's a useful means of guiding the shift to a more digital future in a company.

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