



Institute of Corporate Directors
Institut des administrateurs de sociétés

Quebec Chapter

Digital Transformation from the Boardroom

A LOOK INSIDE THE ORGANIZATION

AUGUST, 2020



1 INTRODUCTION

The speed, scope and impact of technological and consumer behavior change are challenging businesses — and society at large — in fundamental ways. Digital transformation is well underway across almost all industries, with companies accelerating investment in emerging technologies, embracing innovation, and committing to leveraging digital solutions across their business value chains.

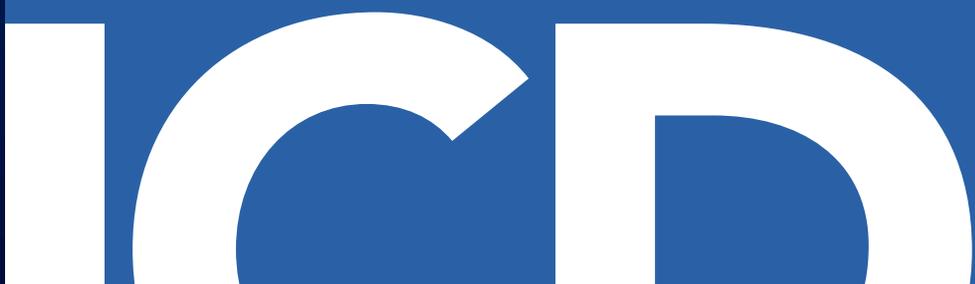
As the steward of strategy, the board plays a crucial role in overseeing this transformation. Directors will want to understand what digital transformation means in the context of the organization's own business reality, how the digital vision and strategy align to the corporate strategy, whether and how it is supported by management and other stakeholders, and finally, how the board can support the ongoing evolution given the unprecedented pace of change facing companies today.

The COVID-19 pandemic, which occurred during the writing of this report, put into sharp relief the imperative to digitally adapt. Few companies had contemplated the unprecedented impact global supply chain disruptions, travel restrictions, business closures and social distancing requirements would have on their businesses when they defined their digital transformation strategy, and some were ill prepared.

These disruptions to the way things used to be are real and will not quickly disappear. As a result, companies must adapt at a much greater speed than what was anticipated while considering new hypotheses, risks and opportunities. Companies will have to decide which new practices and technologies will become permanent and which ones will need to be discarded or significantly changed. Thoughtful and effective board oversight is key. Traditional methods of project oversight are no longer as effective as they have been in the past.

This guide is the second in a series and builds on *Understanding the Disruption Ahead* published in April 2019. It has been designed to provide directors with the key concepts and questions to consider within their organizations, suggestions for where and how to incorporate "digital" into board agendas so as to give it adequate emphasis, and real-life examples of how Canadian boards are working to catch up, keep up or lead in today's digital business reality.

There are two sides to the digital transformation: the external view, or what it means to your customers, competitors, your overall market; and, the internal view, or what it means to your people, processes, policies, tools. This publication focuses on the latter, the impact of digital transformation of an organization's back office processes, people and systems.





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ROLE OF THE BOARD

The role of the board has evolved considerably over the years and the impact of emerging technologies is driving this change even further. When embarking upon the digital transformation journey, the board needs to play a critical role by fostering an environment that will enable companies to thrive and capitalize on new opportunities. To accomplish this, board leaders must consider if the board's composition and specific board and management roles currently support the transformation journey, and whether adjustments are needed.



2.1 BOARD COMPOSITION

The board's composition and skill set should reflect both the organization's current level of digital maturity (where it is) and its digital vision (where it aspires to go). Digital expertise is highly sought after, and ensuring it is present on every board by recruiting individual directors who are domain experts may not be feasible. However, there are other ways that board members can improve their collective digital fluency. There exist many sources of information on how digitization supports strategy (see the end of this article for suggested further reading). Boards can prioritize their own digital "upskilling" in their director education sessions, either by leveraging internal expertise or by engaging experts to advise them on this subject. Finally, organizations could also consider onboarding directors or with a proven track record as an executive or board member in a company where digital contributes a large portion of revenue, where digital channels are crucial enablers of business or where the company is regarded as a digital transformation leader in its industry or market. These are all effective ways to gain valuable insight, enhance the board's collective knowledge, and understand how the changes in the technology environment could affect the company's operations.

2.2 ROLE OF BOARD MEMBERS VS MANAGEMENT

The board should consider themselves as being the ultimate catalysts in surfacing, enabling and holding the company accountable for the digital transformation. The executive team needs their board to serve as strong digital partners, supporting the consideration of investments in experimental initiatives that could reshape the company's market or operations. To be effective in this new reality, the board may have to engage in a greater span and depth of operations than is typical, which can appear to the executive team that the board is interfering too much in operations. It should also be noted that the measures used to engage with management will need to be revisited to ensure that they have the ability and flexibility required to deliver on the transformation objectives. For this reason, it is important to establish clear terms of reference between

management and the board and to clearly and openly articulate respective roles and responsibilities at the beginning of the digital transformation process.

It is also important to consider where to embed the oversight of digital at the board level. Different organizations will have different approaches. Some organizations will establish special or standing sub-committees reporting to the board (e.g., the innovation, digital and transformation committee) whose members have more in-depth knowledge and understanding of the digital transformation activities, while other companies may make use of existing sub-committees to act as the key digital transformation oversight mechanism. Whatever the approach, the committee charter(s) should reflect the expanded mandates, and meeting agendas should include more formal and frequent discussions of the transformation efforts.

Questions to ask to define the role and composition of the board

- └ Has our board's role been clearly defined and discussed in the oversight, review and monitoring of the digital strategy?
- └ Is our board's structure and composition sufficiently evolved to support our digital transformation? How do we ensure that we keep evolving as the organization's digital transformation matures?
- └ Is our board well equipped in terms of expertise and experience needed to understand how digital disruption is affecting our industry and organization? Do we need directors to go through education or training to be better prepared to support and challenge digital transformation? Do we need to recruit for a new skill set on the board or can we bring in external expertise?
- └ What range of digital skills will we need on the board for the next 5 years?



3

FACING THE DIGITAL REALITY

To remain relevant, organizations are quickly learning that success in the digital age requires them to embrace change and face their challenges. To survive and even thrive through a transformation journey requires critical and creative thinking, a culture of exploration and a willingness to rethink business models and processes. The social distancing brought upon by COVID-19 has forced a significant number of organizations to speed up their transformation in order to remain productive and relevant.

The term “digital transformation” can be confusing: some individuals may be quick to associate the term directly to technology, but there is definitely much more to it. As we explore the reality of digital transformation, it is useful to think of it revolving around three key elements — technology, people and processes — which have to be specifically considered in your digital transformation.



3.1 ASSESSING YOUR LEVEL OF DIGITAL MATURITY AND READINESS

Before defining the digital vision, it is crucial that the executives and board members take a step back and assess the current state of the business. This analysis should include a sober assessment of their organization's existing technologies, the state of competitors', and level of digital maturity and overall transformation readiness that will form a baseline from which to build on and to measure transformations against. It also ensures that any digital strategy is tailored to the unique business realities faced by the organization. In the current pandemic environment, it is also important to determine if and how the crisis impacts any digital maturity and readiness assessments that may have been performed in the past. Management and the board should revisit these based on recent lessons learned. New skills may have been developed and new priorities may have emerged.

3.2 DEFINING YOUR DIGITAL VISION

Once this baseline has been established, the company is ready to take its first step on the digital transformation adventure: establishing the corporation's digital vision.

This vision is a means to an end, not an end in itself – that is, it must be fundamentally connected to the strategic goals and vision of the company. This may require that boards wrestle with and resolve the tough but critical questions about the company's purpose; What is the company doing? Who are they doing it for and why? Are there new ways to deliver value?

Through the visioning process, boards should ask management for analyses such as return on (digital) investment, scenario modeling, analyses of strengths, weaknesses, opportunities, and threats associated with specific technologies, competitive analyses, research and analyses of the timing of emerging technologies yet to hit the market.

The board can then support management in closing this "purpose gap" by figuring out how your organization can deliver on its purpose in its everyday activities, aided by digital technologies. The link to purpose is essential, and will only get stronger as we look to the transformative shifts companies will have to make to adjust to the decade ahead. It bears repeating: the digital vision must ultimately align with the organization's purpose, change story, as well as the overall business strategy. Digital transformation is not a value proposition in and of itself: it is a critically important enabler.

Question to ask about the corporation's Digital Vision & Strategy

For the companies that are late adopters:

- ┌ Have our board and management assessed the impact and applications of technology on our core business(es)?
- ┌ Have we accurately captured our current use of technology in the organization, including the effectiveness of existing systems and processes?
- ┌ Do we have a clear digital vision that is supportive of our strategy approved by the board?
- ┌ Have the right stakeholders had an opportunity to contribute to the digital vision and has the digital vision been cascaded through a transformation strategy and change story?
- ┌ Is the digital strategy focused on a forward-looking approach that transforms our organization's way of thinking, or is it more focused on finding solutions for small-scale issues within the organization?
- ┌ Do we know how far our competitors have developed their digital strategy and does this put us at a disadvantage?

For the companies that have made significant inroads into the Digital Transformation:

- ┌ Are we continually communicating the digital transformation strategy to our stakeholders? How well is it understood?
- ┌ How has our board agenda evolved to monitor the digital transformation? How frequent and how long are the strategic discussions in the board's agenda? Are they adequate? Are emerging technologies or stall risks included in these discussions?
- ┌ Has the management team put in place the right governance structure and people to lead the digital transformation?
- ┌ Are we (management and the board) spending sufficient time revisiting and recalibrating the change story on a regular basis given the rapid pace of change?
- ┌ How has the current pandemic changed some of the key hypotheses that were used to build the strategy? Should it be revisited?



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ESTABLISHING KEY METRICS

Once formulated, it becomes imperative to tie the digital strategy to established metrics, and devise a roadmap to support strategic planning. In the roadmap, it can be useful to think of digital activities, metrics and milestones in terms of short-term, medium-term and long-term windows.

Through the use of a digital transformation dashboard, the board could have access to the key performance indicators (KPIs) to hold appropriate discussions during board meetings. Some companies use digital transformation metrics such as; innovation rate (measures the creation of new or improvement of products, services or processes), customer service (measures the improvement of customer satisfaction and/or retention, customer feedback), data capitalization (measures the use of collected data to gain a competitive edge or create revenue), changes in consumer behavior (measures behavior and purchasing patterns), and digital operations (measures the use of new tools and technologies to digitize operational processes).

Whatever KPIs are selected, it is essential that they are tailored to the company's business reality, that is, they are aligned to the strategy, quantifiable, linked both to the specific industry and to the company's current state of digital maturity, and flexible to respond to ever changing priorities and market conditions.

Through the digital transformation journey, it is vital to choose the right metric since after all, "if it can't be measured, it won't get done".

Questions to ask about the key metrics

- ┌ Do the metrics provide the board with sufficient information to determine whether management is making progress towards our growth and digital transformation objectives?
- ┌ Are the metrics provided by management appropriately linked to the digital ambition and overall digital strategy? To our strategic objectives and purpose?
- ┌ Are the metrics being used providing relevant and timely information for making decisions and adjusting strategies?
- ┌ Have timelines been agreed to for review of transformation initiatives and assessment of tangible impacts?
- ┌ Have the expectations and metrics been appropriately communicated to the organization?

5

DIGITAL TRANSFORMATION AND RISK GOVERNANCE

Staying abreast of new technologies that continue to rapidly emerge and making informed, strategic decisions about where and how to deploy has been a daunting enough task in the past few years. The COVID-19 pandemic has accelerated the speed of digital deployment as some organizations had to react by implementing new ways of working much more rapidly than planned.

Once the pandemic has receded and businesses prepare to re-emerge, the prudent board will ask their organizations to take the opportunity to review their systems in line with recent developments and determine which investments remain suitable and/or pertinent, and depending on the business' needs and their recent experience, what additional changes may be required to ensure operational resilience. This should include an assessment of which systems, applications and processes are best suited for further transformation and use of digital technologies. We expect that new and emerging technologies will enable more options than ever.

Boards have a key role to play in revisiting with management the risks and the rewards of each opportunity in the new context. For more information on emerging technologies, please consult the Institute of Corporate Directors' article entitled "Understanding the Disruption Ahead."

https://www.iasquebec.com/wp-content/uploads/2019/04/ICD_Emerging_Technologies_Report_EN.pdf

5.1 RISKS FACING THE DEPLOYMENT OF THE DIGITAL TRANSFORMATION STRATEGY

As robust as the digital transformation strategy may be, it should be re-evaluated regularly to ensure long-term success. This is especially true right now since the pandemic has forced many organizations to re-think their service delivery models to respond to the new reality which has brought a greater focus and attention on topics such as:

- ┘ Workforce management
- ┘ Crisis management and response
- ┘ Cybersecurity
- ┘ Operations and supply chain
- ┘ Tax and trade
- ┘ Financial planning and analysis
- ┘ Upskilling
- ┘ Changes in consumer behaviors
- ┘ Use of new tools and mobile technologies

Have the roles and responsibilities for management and the board members during incidents been clearly spelled out?

All these elements could have a significant impact on the digital transformation and challenge the deployment of the agreed upon strategy. During turbulent times such as these, where management's need to rapidly respond to day-to-day challenges can be all-consuming, the board is well-positioned to encourage periodically revisiting the strategy and its deployment, and recalibrating where necessary. In this way, the organization stays agile and nimble, and focused on its core mission.

5.2 MANAGING CYBER RISKS AND DISRUPTIONS

In all likelihood, cybersecurity is already on the board's agenda receiving significant attention. Nevertheless, both the digital transformation activities as well as recent events have highlighted a growing risk of cyber-attacks and operational disruptions. As a result, it is even more imperative to ensure that appropriate time and attention is reserved on the boards' agenda so that directors are able to understand the organization's exposure, the mitigation techniques being used as well as the level of residual risk that remains.



In high-risk, mission-critical areas such as cybersecurity, boards worldwide have focused on educating directors on the latest threats and training them on various tools and practices. While this publication is not intended to provide a detailed approach, some of the tools and techniques used by audit or risk committees (who usually lead these discussions with management) include the following:

- ┆ Identification of key processes and operational capabilities, together with their vulnerabilities.
- ┆ Reviewing current approaches to protecting the most critical processes and data assets.
- ┆ Reviewing the Cyber Breach Response Plan / Playbook, and clearly understanding the crisis management protocol, the escalation process in place and their role in the corporations' response.
- ┆ Assessment of third party and supplier risks (and their significant third party risk exposure).
- ┆ Asking to leverage internal and external advisors for regular in-depth briefings.
- ┆ Review the scope of insurance coverage (cyber and business disruption).
- ┆ Review and agree on the level of residual risks that remain.
- ┆ Participate in a test of the company's response plan.

Throughout the year, and in keeping with the cadence of the board's oversight of risk generally, boards should exercise open communication with management and request regular reporting in terms of cyber risks, threats and measures in place to prevent/detect events and disruptions.

Questions to ask to about Digital Transformation & Risk Governance

- ┆ Given the speed of change, how can we support management in identifying new tools, technologies, trends and challenges, to bring meaningful discussions at the board level?
- ┆ When it comes to investments on innovation/ technology initiatives, what is the risk tolerance of the organization? What pace of investment do we feel comfortable with? Has it changed following this pandemic? Do we need an evolution or a revolution?
- ┆ Are we as a board willing to accept an increased level of risk to accelerate the digital transformation?

How and when should management be expected to escalate to the board if the level of risk is above that appetite?

- ┆ Are the risks well defined and revisited on a regular basis to ensure that they are appropriate, tracked and mitigated? Are internal and external factors being appropriately considered? Is there a clear accountability framework for the various transformation initiatives? Has management identified the appropriate sponsors, business owners and established key metrics to allow the board to follow progress but also the risks associated with the initiatives?
- ┆ Do we as a board understand the potential risk tradeoffs in being digitally agile? Are the mechanisms and culture in place to allow sponsors and business owners to potentially fail (in an appropriate way), to identify and raise the issues fast, and to learn?
- ┆ Does our board do a good job of scanning the strategic horizon and looking long term? If there are changes in the market (for example, customer behaviors, unforeseen significant issues, or supply chain disruptions), do we encourage these risks to be raised so that the right decision can be made?
- ┆ Does the organization have the people, tools, and processes in place to safeguard the organization's operations while driving the digital transformation agenda? This is especially key for cyber risks and operational disruptions.
- ┆ What measures has the board implemented to ensure that there is adequate reporting and measures in place to prevent, detect and respond to data breaches and cyber-attacks?
- ┆ Is the board ready with a clear plan to face cybersecurity incidents and breach? Have you pre-determined the board's risk appetite in management's response plans?
- ┆ Is the organization equipped to keep abreast of industry-leading best practices and does it have the capacity to refocus efforts as required to protect the organization?



6

HUMAN TOUCH TO DIGITAL TRANSFORMATION

The use of robotics and artificial intelligence driven decision-making is increasingly transforming the way we interact with and within organizations which can have a huge impact on the organization's workforce. We can already see that a portion of the workforce will either become redundant or unable to operate in the new digital environment. These are key elements that management and boards should consider and keep top of mind as the digital transformation is being rolled out.

Boards have the responsibility to consider the cultural and social impacts of the digital transformation process on the organization's workforce. The human factor remains a key inhibitor even as the general population experiences a continual increase in the use of digital technologies. More often than not, the failure in execution of digital initiatives is often for non-technical reasons that are rooted with the people involved.

On the other side, digital transformation offers a formidable opportunity to embed in the organization new ways of working that go well beyond the use of new technologies: agile methods, design thinking, talent models and change management.

"Doing digital" means investing in signature and foundational areas, but "being digital" is the ongoing shift in business capabilities to embrace digital ways of working. Being digital is much harder to achieve because it involves mindset shifts and changes to patterned ways of thinking and working. Business capabilities are about talent acquisition, skills development, collaboration activities, performance measurements and incentive structures.

– Geoffrey Cann



Delivering on a digital transformation may involve significant upskilling across the organization's workforce. Determining the organization's skills gaps and how these gaps can be mitigated will allow organizations to determine what sort of investments they need to set aside for new technologies to test, trials to run, training, bringing in subject matter experts, etc.

"The digital revolution requires a skills revolution. The skills revolution is about helping people build their digital awareness, understanding and skills to fully participate in the digital world — and it needs to start now"

– PwC

The board plays a critical role in fostering and encouraging a culture that embraces digital transformation. The more comfortable employees become with incorporating digital tools in the corporation's processes, the more opportunities they will find to leverage them. In certain cases, the change is too significant and some of the workforce will be unable to adapt. In other cases, the changes will be more gradual, whereby the organization can support the skill development initiative and allow individuals to start making small changes in their daily tasks to improve existing processes. The board must be conscious of this and ensure management has appropriately considered this in its roll-out strategy and is paying attention to workforce engagement and communication.

Questions for the board to ask about Human Touch to Digital Transformation

- ┌ Is our culture supportive of digital transformation? How is management assessing the impact digital transformation will have on employees, stakeholders and clients? How can we support management in addressing these impacts?
- ┌ How is the organization equipped to identify cultural barriers, social-economic factors as well as work force risks that could derail the digital transformation? Are the appropriate measures in place to mitigate any potential reputational risk?
- ┌ Does the corporation have the right talent across the business to adopt new technologies? What is the corporation's strategy for identifying internal champions and growing digital citizens?
- ┌ How will management motivate, grow and retain this talent? Do traditional talent development models work in the current environment?
- ┌ How does the organization attract and retain digitally savvy talent to enable them to be efficient and "built to last"? Do we have the right executives capable of attracting new digital skills?



7

DIGITAL TRANSFORMATION SUCCESS STORIES

There is no single secret recipe for successfully navigating through the digital transformation. Several companies have succeeded differently. Here are some success stories of companies operating in different industries which have and continue to go through successful digital transformation activities:

Canada Revenue Agency

The Canada Revenue Agency ("CRA") is a government entity that is tasked with administering tax laws for the Government of Canada and for most provinces and territories. In 2017, the board created a Blockchain Subcommittee to examine the readiness of the Agency to adopt and respond to the impacts of this technology and work with members of the Agency's working group in the development and implementation of strategies for the Agency's adoption of blockchain technology, in line with broader Government of Canada strategies. The following activities were achieved with management:

- ┆ Defined what is "digital" transformation to ensure a common understanding and vision.
- ┆ Developed a roadmap for digital transformation, to plan, support and oversee the projects underway.
- ┆ Confirmed that the roadmap be mapped to the Agency's strategic priorities to understand and oversee how these enabling projects and investments supported the digital transformation objective.
- ┆ Revised the IT Policy Framework that sets the overarching principles and requirements for all.
- ┆ Reviewed and approved the Corporate Policy Instruments to align with Government of Canada direction on improving government services in the Digital Age, and becoming more agile, open and user-focused.

To support the CRA, the board expanded its own board competency profile, competency definitions and collective competency matrix in order to assess its capacity to support and oversee the CRA's transformation now and in the future. It also targeted digital and transformation experience and skills for future nominations and director development.

Through this entire process, the board shared experiences and proposed external influences that should be considered in the creation of the Digital Strategy.

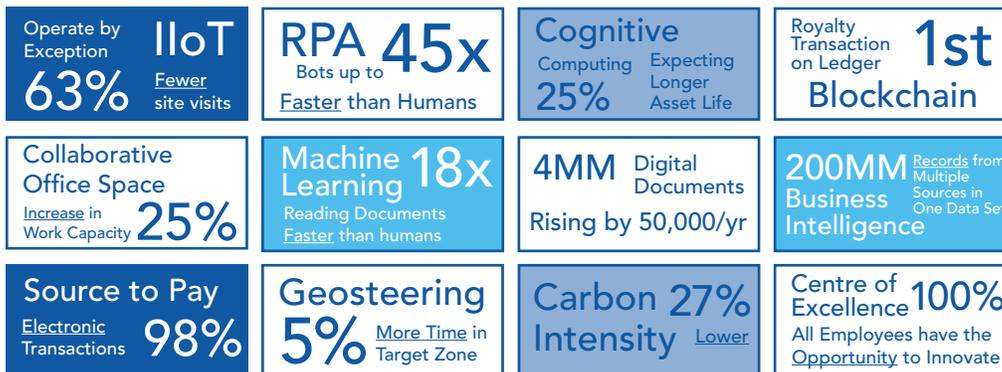
NAL Resources

NAL Resources is a private Oil and Gas producer operating in Western Canada and ranks among the top 30 producers in Canada. In 2015 NAL completed an assessment of its current environment and determined that the existing business model was no longer sustainable and required a significant shift. Management with the support of the board began a transformation, leveraging digital applications that included a complete relook of its processes and cost structures. These transformations focused on driving long term sustainability through any price environment while meeting or exceeding all regulatory or social licensing issues. NAL's digital transformation story is not over but it has provided many insights into what is required to be successful. Understanding change and what drives successful change remains the largest single barrier for transformation. The following are some of their lessons learned that other organizations can focus on.



- ┆ Driving change through a compelling vision, goals and objectives.
- ┆ Engaging your board, Management and Staff early through participation in goal setting, establishing rules of engagement and shared outcomes.
- ┆ Developing budgets, corporate incentives and individual incentives that reward the behaviors and expectation you are looking for while accepting reasonable failures.
- ┆ Educating yourself on what is possible and by looking at other industries and leaders for inspiration on how to do things differently and what digital tools might be effective.
- ┆ Taping into experts and organizations that have completed similar transformation journeys and whose expertise you do not have.
- ┆ Setting Smart Budgets that recognize the risk but allow you to experiment without consequences.
- ┆ Finding internal champions that can help you get your first wins and who are respected in the organization.
- ┆ Starting small with a Proof of Concept project. This reduces the risk of large failures.
- ┆ Being agile. Pivot and turn as opposed to stopping when you hit a barrier.
- ┆ Finding early wins and publicize them.
- ┆ Measure, measure, measure. You need to know if you are winning or losing.
- ┆ Establish a Center of Excellence that helps you manage and report out on progress while providing support to each group.
- ┆ Failing cheap. Look to create more wins than losses and know when to stop.

NAL is establishing a digital transformative culture and it has extracted many wins over this period. The following are some of their highlight numbers over the past 5 years:



PwC

PwC Canada is a limited liability partnership wholly owned by its partners. A Partnership Board, which is composed of elected partners, provides oversight of the firm's strategy as established by the management team. PwC has been undergoing a significant digital transformation of its own, investing significantly in new technologies as well as upskilling its entire workforce, by giving their employees opportunities to gain the knowledge, tools and ability they need to use advanced and ever-changing technologies in the workplace and their daily lives and as a result change the firm, from the bottom up.

PwC's digital transformation is core to its strategy and as such, the Partnership Board oversight was performed with the entire board instead of a committee. From the beginning, the management team and the Partnership Board were very focused on the business outcomes of the digital transformation. Their goal was to re-invent the client experience and equip their workforce in creating new ways of working. The strategy was agreed and clearly communicated to all levels of the organization as was the reasoning for the transformation. It was also agreed that the business goals of innovation and risk management had to be rebalanced to drive the organization forward. Governance models were adjusted to oversee bottom up citizen led efforts to empower innovation but with new agile oversight techniques to ensure risk was appropriately managed and governance was strong. Given that any transformation involves important change management activities as well as behavioral changes, the board members play an important role by performing outreach to the partners to ensure that everyone understands the importance of the change and provide management with feedback based on the responses received.



Business Development Bank of Canada

The Business Development Bank of Canada (“BDC”) is a federal development bank structured as a Crown corporation. It is the only Canadian financial institution devoted exclusively to entrepreneurs.

As technology reshapes the financial services industry and as client expectations evolve, BDC and its board of directors recognize that a digital transformation is necessary for the organization to move at the speed of entrepreneurs. BDC is making significant investments in automating their processes and enhancing the use of digital technologies. For instance, over 600 account managers are now equipped with mobile devices. Through their flagship app, BDC Express Loan, BDC is able to authorize loans of up to \$750,000 in less than 30 minutes during a single visit at the client’s place of business. Moreover, BDC continues its investment on its online financing platform to serve Canadian entrepreneurs for speed and convenience. This is a significant change for the organization, its workforce and its clients.

To facilitate this transformation, the board had a digitally savvy director who took the lead in spending time with the key stakeholders to make sure that the vision and strategy would be forward looking, aligned with the risk appetite of the organization (ex: Cyber risks) and that the technology investments that were required were well defined and managed. The board also hired external service providers to counsel them as well as provide effective challenge to management’s plans. The BDC board chose to keep the strategic discussions at the full board level instead of through a committee and has and continues to spend significant time at each meeting looking at the digital strategy and challenging management on the key metrics and program management activities. The BDC board has been and continues to be an integral part of every step of this transformation challenging management along the way.



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CONCLUSION

An appropriate level of board involvement is a key measure of success for any transformation. As part of the board's fiduciary duty, the director's shared experiences, duty of care and use of business judgment are key to support management's decisions and actions. From that perspective, engaging more deeply and regularly with the company's management on the digital transformation strategy and risks should be at the forefront of the board's priorities. Boards have several tools at their disposal to guide this transformation: by challenging the digital transformation vision, strategy, goals and objectives; by making sure that ownership, roles and responsibilities are clear; and, by closely overseeing key KPIs.

To do so, the board should raise its digital quotient through a combination of training, seeking outside expertise, and changing the board structure and composition.

This publication reminds us that it is important to be mindful about the digital transformation journey, and to integrate digital transformational activities where they can have the most impact. Finally, digital transformation revolves around three key elements – technology, people and processes—which must be treated together throughout the change.



TO LEARN MORE

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Nicolas Gaudreau

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This publication was prepared by the ad-hoc Technology Committee which was created by the IAS board of directors, in collaboration with the Calgary ICD Chapter, to think about the impact of new technologies on the roles and responsibilities of corporate directors. We would like to acknowledge and thank the committee members for their contribution:

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About the IAS Québec Chapter: The mission of the Institute of Corporate Directors, Section du Québec, is to bring together and represent directors in Quebec while promoting excellence and efficiency within boards of directors in order to strengthen the governance and performance of for-profit businesses and not-for-profit organizations.

About the ICD Calgary Chapter: The purpose and vision of the Calgary Chapter is to create leading edge, innovative learning opportunities regarding governance and broader business issues across For Profit, Crown Corporations and Not For Profit sectors from a local to a global level. Our highly engaged membership and executive seeks to be a resource to numerous sectors and a leader for best in class in governance and innovation. We will continue to build relationships with other regional ICD Chapters and to foster business and academic partnerships to provide continually improving governance offerings.

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