



International Survey 2019 Focus on Digital Transformation

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PATRICK LAREDO

"WIL Group is focusing its Executive Interim survey, this year, on Digital Transformation.

As chairman of WIL Group, it fascinates me that, in about a year, Digital Transformation projects have become a "playground" for Executive Interims.

A reason could be that a majority of so called Digital Transformation projects do nothing more than upgrade operational efficiency, a field that Executive Interims have long been used for with significant success.

But in my opinion, the main reason stems from some of the observations in the survey: For a business to really transform, the people in it need to transform too. That is the bit that Executive Interims can handle well.

Too often we over emphasise the digital part of Digital Transformation and pay less attention to the real issue of getting people to understand the change and cope with it.

Extra management is required to drive significant change, and providing that extra management is our core business.

Enjoy the findings from this survey!"

CHAIRMAN OF THE WIL GROUP



CATHY KAY

"Interims are proving their value in every single transformation, in many different ways. Clients in every sector are achieving strategic, financial and efficiency benefits by employing executive interim professionals. It is this that is driving WIL Group's rapid growth in Digital Transformation projects worldwide"

ASSOCIATE DIRECTOR - RUSSAM GMS

About the WIL Group

The WIL Group is providing agile solutions that fit perfectly with its clients' large scale transformation needs - committing to value and results.

Currently there are 14 member firms operating across 37 countries, and an international executive talent pool of 4,500+ top-level industry leaders.

Each WIL Group member complies with consistent and seamless operational standards offering clients a smooth and professional service.

WIL Group's vision is to be the number one company for global executive interim and transition managers, by offering a unique 'international multi-sourcing' model that leverages the assets of each member firm and ensures the best talent is selected for assignments globally.

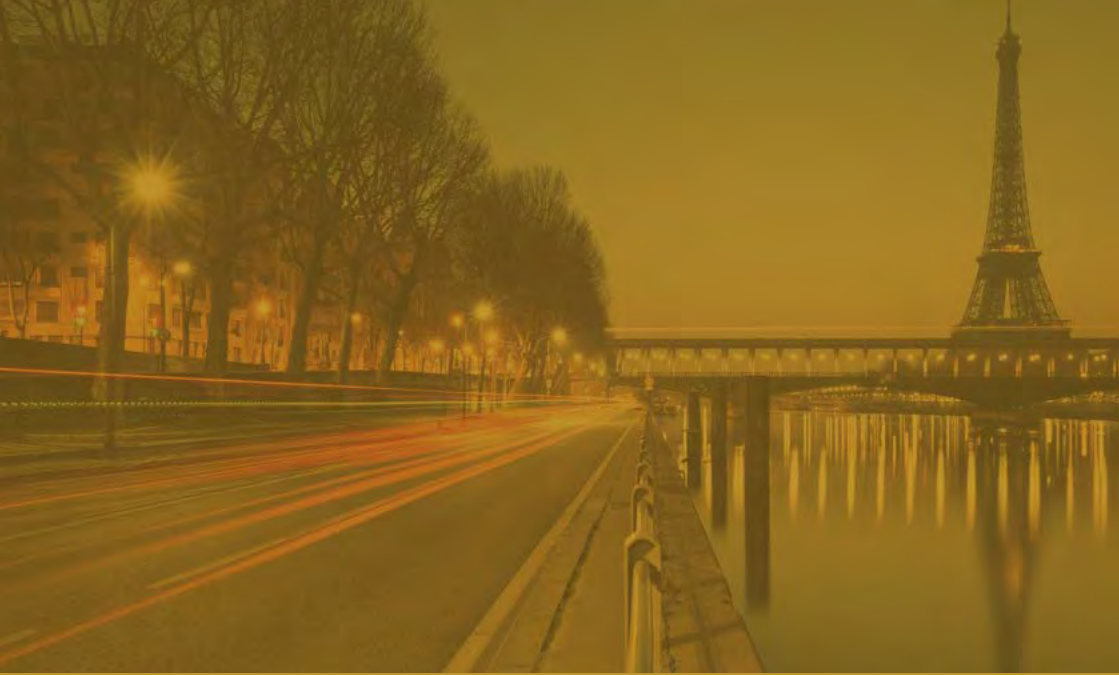
WIL Group operates through a strict quality charter and Total Match® process to ensure the highest quality profiles that meet the exact requirements of our clients.

WIL focuses on client issues and delivers executive interim based solutions worldwide, these encompass:

- ▶ Performance Improvement and Digital Transformation
- ▶ Restructuring and Turnaround
- ▶ Private Equity Services & Integration of Acquisitions
- ▶ International Deployment and Project Management







Overview of the Survey

This is the fourth annual survey conducted by WIL Group. Each year we ask our network of interims to share their views with us to help build a global picture of the trends and developments in the executive interim sector.

This year we wanted to explore the progress of existing trends and examine one in more depth: Digital Transformation.

The survey generated responses from 1,894 individuals all over the globe.

Key Findings

- ▶ Participants represent 19 nationalities. The majority have completed between one and six interim assignments, but almost a fifth have performed more than 10.
- ▶ Respondents work in more than 80 industry sectors, most commonly in general management and board level roles. 28% of people work in manufacturing and industry, with 10% in professional services, 10% in telecoms and technology and 9% in financial services.
- ▶ A third of interims say they will only ever work as an interim/transition executive. Just 5% state that they are actively looking for permanent employment, but 18% would accept a permanent job if the opportunity was right.
- ▶ 74% of interims report some element of international travel and responsibility. A further 33% have been required to spend the majority of their time based outside their home country. In total, WIL Group executive interims are active in 438 locations around the world, including Myanmar, Bhutan, Madagascar and Nepal.
- ▶ The top countries for international work are France (just under 30%), Germany and the UK (both around 28%). Other prominent locations include the US, Netherlands and Singapore.



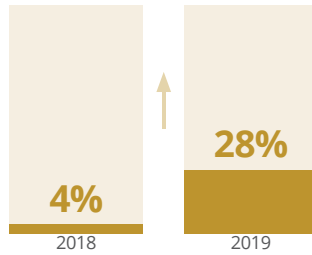
JASON ATKINSON

“WIL Group interims span every managerial level and specialist discipline: a perfect illustration of how we can support businesses with any kind of priority or new direction.”

MANAGING DIRECTOR - RUSSAM GMS

Changes against 2018

- ▶ More women have responded to this year's survey, with the proportion of female participants increasing from 12% to 14%.
- ▶ 59% of participants say that their outlook for 2019 is positive – a drop from 2018 where this figure was 66%.
- ▶ There is growth in the number of people feeling neutral (32%) or negative (8%) compared with last year. Comments frequently mentioned Brexit and its impact on work prospects in Europe.
- ▶ In 2018 4% of respondents said that recent assignments were related to Digital Transformation. This year, this number has mushroomed to 28%.



Executive summary

The 2019 WIL Group global survey explored the views of just under 1,900 executive interims, representing 19 nationalities and working in 438 locations worldwide. The number of female interims responding this year had increased by 2% to 14%.

A notable shift in this year's survey is the overall outlook among interims. In general, there is a more negative tone in how people feel about the coming months. Last year 66% of interims felt positive about the future – this figure dropped 7% in 2019. 40% feel neutral or negative about the future – with Brexit frequently mentioned as a reason.

The other key trend was the growth in Digital Transformation. In 2018 4% of respondents said that this was the focus of recent assignments. This year, this number swelled to 28%.



Digital Transformation: the facts

Sector insight

In line with the sectors listed by our interims, the top market for Digital Transformation projects is manufacturing and industry at

24%

Financial services accounts for

14%

with other sectors ranging from

6%-10%

including business support services, technology, retail and consumer, transport and logistics and energy and utilities. The lowest level of activity is in the leisure area.

Company size

Interestingly, companies of all sizes are embracing Digital Transformation, with an equal spread of interims across the range. There are fewer interims working at companies of 5-10,000 employees, largely because the number of these companies are more limited.



Strategic direction

When asked whether a carefully considered strategy had been developed and communicated for Digital Transformation, only 64% of participants agree. So, more than a third of our interims are working in environments with an unclear strategy.



PHILIPPE DELJURIE

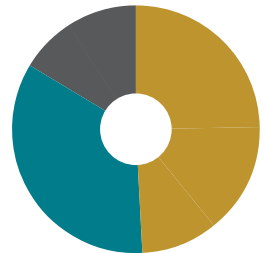
"In driving successful change, setting out a clear and relevant strategy is crucial. Everyone needs to understand what's happening and why if they're to adopt new ways of working. With over a third of our interims reporting a lack of clarity, many Digital Transformation projects are set to fail."

PARTNER – DIGITAL TRANSFORMATION – X-PM FRANCE

The pace of change

The survey examines how organisations approach transformation: is it an aggressive move to steal market share, a more neutral position or a defensive play led by the competition?

The neutral stance comes out on top at 47%. Comments from respondents indicate that businesses accept that Digital Transformation is inevitable. Yet a third of responses report an aggressive approach, compared with 20% that are adopting a defensive stance.



47%	33%	20%
Neutral	Aggressive	Defensive

Business objectives

The most popular driver of Digital Transformation is to achieve operational excellence – cited by 60% of interims. The development of new products and services is also an important reason for transformation, according to 35%. Far fewer businesses are embedding digitalisation in order to extend into new markets (7%).



RANJIT SHASTRI

“With the majority of businesses focusing on improving what they already do, are they failing to innovate? Less than 10% are targeting new markets – but are you ready for a disruptor to enter your space?”

MANAGING DIRECTOR - X-PM INDIA

Role of the interim

The survey demonstrates interims’ spread of expertise. 34% of those working on Digital Transformation projects describe themselves as Strategic Advisors; a further 32% are Project or Programme Managers. Specialists or Expert Interims make up 11% of the total, and HR Professionals total 4%.

34%

Strategic
Advisors

32%

Project or Programme
Managers

11% Specialists or
Expert Interims

4% HR
Professionals





Specialist skills

More than 60% of respondents use their change management skills within Digital Transformation, with CRM and business intelligence cited by 31% and 30% respectively. Technical skills such as architecture, data mining and digital tools were each listed by around 15%.

A total of

204 skills

are cited, including robotics, blockchain, machine learning and web development.



THORSTEN BECKER

"There's a very real threat that organisations that are slower to move will be radically outpaced by their peers. Are you certain that your competitors aren't

stealing a move through data science, the onset of 5G or blockchain? If they are, it could be too late to catch up."

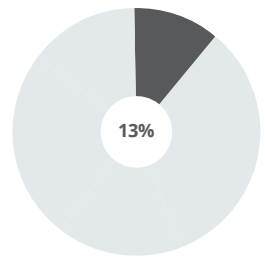
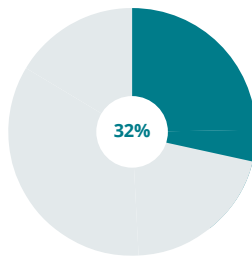
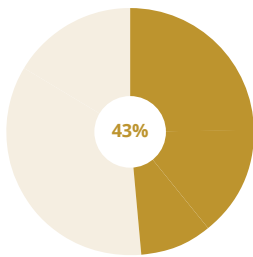
DIRECTOR BUSINESS DEVELOPMENT &
INTERNATIONAL - MANAGEMENT ANGELS

Measuring success

More than 84% of assignments are successful, with 62% meeting expectations and a further 22% exceeding them. Yet in 16% results fall below expectations; likely to be led by the lack of strategy outlined previously.

61% of interims noted that precise KPIs had been defined to measure effectiveness. This means that more than a third of projects had no such targets. Where KPIs had not been set, reasons included:

- ▶ The need to launch Digital Transformation without necessarily knowing the precise outcome (43%)
- ▶ Differences in vision and desired results between top executives and middle management (32%)
- ▶ The sole priority is to start transformation to defend against new digital players (13%)



By far the most prevalent target for all transformation is increased revenues, as confirmed by 57% of interims. Competitive position of the company and employee satisfaction ratings are also important, at 29% and 30% respectively.



RODRIGO BECERRA MIZUNO

"Digital Transformation has become a key priority around the world. Several countries are leading the world in digital initiatives, including Singapore, the United Arab Emirates and New Zealand. There are several other nations that have the potential to stand out - or stall out. Among them are Japan, Germany, the UK, Hong Kong and the US. Digital is both a national priority and a corporate one. For most CEOs today, digital is the number one concern.

In 2018, approximately \$1.3 trillion was spent across the world on digital initiatives. Yet 70% of these undertakings fell short of their goals. The biggest failures were due to lack of clarity around the core objective - as well as the lack of expertise and human capital needed to implement the transformation. A Digital Transformation leader has to act as a catalyst in balancing the relationship between business and technology, and making the 'digital layer' between them effective and understandable. What few people realize is that Digital Transformation is not about technology per se. It is about business transformation, leveraged through technology."

CIO & VP FOR DIGITAL TRANSFORMATION, PEMEX MEXICO

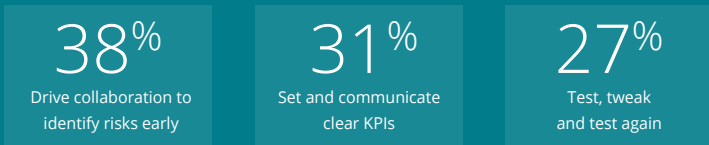
The challenges

Interims highlight a whole range of obstacles and challenges in implementing Digital Transformation. The most common issue is a lack of expertise and competency (46%), followed by cultural barriers (37%) and insufficient top-level involvement (30%). Resistance from operations was listed by 28%.

While almost 15% report no major obstacles, a further 15% have encountered resistance from the IT team. Meanwhile, 22% report insufficient funding.

Interims are also asked about their advice on driving successful digital change. The top advice, agreed by 61%, is that clear and strategic communication of 'The Why' is needed at all levels. Secondly, transformation must be led from the top (52%) and third, the company must create the right culture for transformation (51%).

Other key advice includes:



When asked about the most important elements of successful transformation, interims feel that a clear purpose and objective for the transformation is the single biggest requirement. Timelines, communication strategy, budget and clear roles and responsibilities are also highly valued.



The role of the executive interim

The survey asks interims where they believe they offer the most value in a Digital Transformation project. More than a third of answers cite leadership, while other frequent themes include employee engagement, specialist expertise and operational focus.

The study also explores the advantages of working with expert interims rather than outsourcing to a management consultancy or digital agency. More than a fifth of respondents feel that interims deliver better efficiency, while other benefits include cost, speed, transparency, neutrality and expertise.

One respondent says: *“Having worked in a large consulting firm, [there’s] pressure to impose solutions to justify costs at the expense of internal ownership. An expert interim can provide independence and objectivity inside the system.*

For the business to really transform, the people in it need to transform too – that’s the bit very few agencies handle well.



“The issues that undermine successful Digital Transformation are the same for any change initiative. There needs to be total clarity about the purpose of the change, with an unrelenting focus on explaining and embedding the change at every level.”

Executive summary

Among WIL Group interims, the largest number of Digital Transformation assignments came from the manufacturing/industry sector at 24%. Digitalisation appears to be prevalent in companies of all sizes. Interestingly, more than a third of interims felt that the strategy behind the transformation was unclear, and in 47% of cases was neither an aggressive nor defensive play by the company.

The greatest driver for transformation is to achieve operational excellence (60% of assignments) or to develop new products and services (35%). Our interims perform a broad range of roles in achieving this, from strategic guidance to technical specialities.

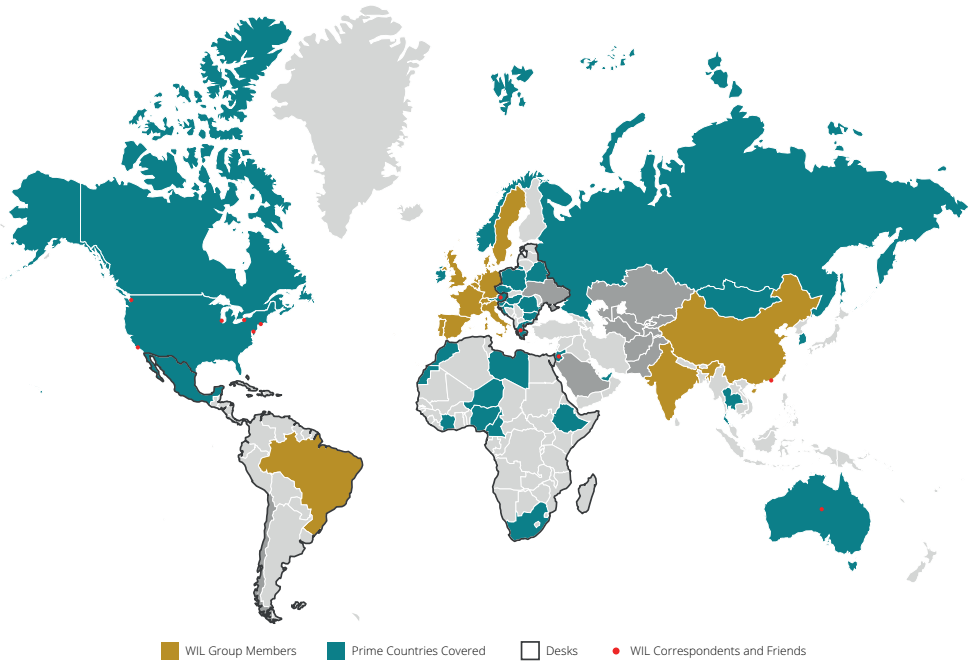
Thanks to interim leadership, more than 84% of Digital Transformations were successful, although in 61% of cases no KPIs had been set.

The survey then explored the challenges to successful transformation, which include lack of expertise (46%), cultural issues and lack of leadership buy-in.

In considering the benefits of using interims as part of Digital Transformation, those listed included leadership, efficiency, specialist skills, transparency and neutrality.

Our Members

WIL Group has offices located at major business hubs throughout the world delivering truly global executive interim and transitional management solutions to clients.



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WIL Group Members



WIL Group International Office

