

Jean Elia

**Think Digital
Act Digital
Speak Digital**

IDEAS FÖR LEADERS
CHANGING THE WAY WE THINK

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First edition published in the United Kingdom in 2023 by Ideas for Leaders Publishing, a business of IEDP Ideas for Leaders Ltd.

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Ideas for Leaders Publishing
42 Moray Place
Edinburgh
EH3 6BT
www.ideasforleaders.com
info@ideasforleaders.com

ISBN
978-1-915529-19-0 – Paperback
978-1-915529-20-6 – Ebook

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Cover design: www.nickmortimer.co.uk
Typesetting: Sopho Tarkashvili

Acknowledgements

I would once again like to express my deep sense of gratitude to everyone in the long list of people who supported me along my DBA research journey, starting with my remarkable thesis supervisor, Professor Maurice, Thevenet and the leaders I interviewed during the research phase. The insights they gave me were priceless.

I would like to thank Professor Michel Kalika for his important encouragement and guidance in helping me publish this book and honouring me with its foreword, and Stephen Platt for his consistent support and advice throughout.

Thank you also to Roddy Millar and Ideas for Leaders for believing in the project that led to this book, with particular gratitude to Chris Murray for his skill and diligence in helping to summarize this shorter volume.

And again, my final heartfelt acknowledgement for the support and great love of my family to whom I dedicate this book: Monique, Julien, Jeremy, and Noemie, and my parents Kozhaya and Mona.

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Foreword

By Michel Kalika

This book, *Think Digital, Act Digital, Speak Digital* by Jean Elia is a remarkable and useful piece of work in many respects.

Remarkable, firstly, because it is a logical sequel to his Doctorate in Business Administration (DBA) thesis at the Business Science Institute.

Remarkable, too, because his work addresses a highly topical issue – the digitalization of businesses – not in a simplistic way, but with a concern for rigour and from the ambitious angle of business transformation, which represents a veritable managerial and strategic challenge for the leaders of any organization.

Lastly, it is remarkable because his research is the fruit not only of a review of the literature but also, and above all, of a series of 21 in-depth interviews with bank CEOs.

This is why Jean Elia's book is useful for senior executives and managers.

It is **useful** because he writes with a concern for communication and the sharing of ideas.

It is also useful because of its conclusions, which clearly set out managerial recommendations that can be put into practice by company management teams.

Finally, it is useful because the book has been designed to create managerial impact in companies, which is the primary purpose of a DBA.

Jean Elia's book should be on the desk of every manager concerned about the digital transformation of their company.

*Professor Michel Kalika
President, Business Science Institute
August, 2023*

A Note from the Author

The goal of this book was two-fold:

1. to present my research on the theory and in-the-field practice of leading DT in the financial services industry
2. to use this research to create some practical guidelines for CEOs that they can use more successfully to plan and implement DT. These guidelines would cover many aspects of the process, including the role that leaders ought to play in the journey.

This book is intended for all senior executives and board members within the financial sector, be it in banking, insurance, asset management and fund industry, and all other related activities. Throughout the process, I received positive feedback from this community about my research; of particular interest was the information I was gathering on the practices and views of their peers.

For those wishing to access the academic references and detailed footnotes and gain a deeper insight into the methodology used, an extended version of the research is available from EMS Editions:

Leadership of Digital Transformation:
The case of CEOs in the banking industry

ISBN: 978-2-37687-881-0

For further information: <https://www.editions-ems.fr/boutique/leadership-of-digital-transformation/>



Chapter One

**Introduction: Digital Technologies
Are Transforming Banking
– and the World**

Digital technologies are transforming the world, and no industry or professional sector is immune. Upstart technology-driven players and highly digitized companies are disrupting traditional market practices and activities. To survive, incumbents must be ready to throw out or radically transform their business models. Uber's demolition of the historic taxi business model, or Netflix's successful assault on both video chains and cable television (and even the film industry, as proven by Netflix's industry-leading 36 Oscar nominations in 2021) can be replicated in any business sector or industry.

The financial sector in general and the banking sector in particular have seen their fair share of disruptive technology players invading the market, including FinTechs, that is, technology-focused start-ups launching innovative products and services, and neo-banks that make payment systems accessible through digital channels. No less than 26,000 FinTechs were operating worldwide in early 2021.

These new and potent competitors are already disrupting and dismantling the banking industry's value chain, but that is only the beginning. The business model of tomorrow's bank will be radically transformed. As shown in the figure below, the 'bank of the future' could

include banking without bankers, operations without infrastructure, service without branches, payments without middlemen – just to mention a few of the realistic potential scenarios.

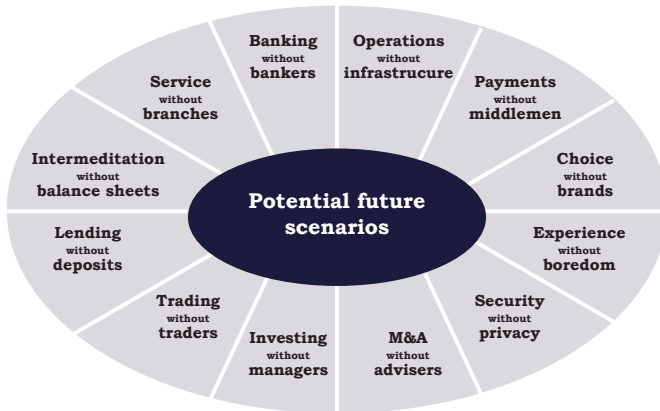


Figure 1.
Deloitte Potential Future Scenarios¹

Put on notice, incumbents in the financial sector – no different from incumbents in all industries – are trying to react, but not always succeeding. A 2018 McKinsey study showed that while 80% of companies were investing heavily

¹ Deloitte, 2016 - <https://www2.deloitte.com/us/en/pages/financial-services/articles/banking-industry-disrupter.html>

in digital transformation (DT), only a third were succeeding.

It is important to clearly define what we mean by digital transformation.

Digital transformation is the optimal use of new technologies, which transforms the way a company interacts with its customers, thus ‘enchancing’ the latter’s experience; the way it functions internally, hence optimizing its efficiency and enhancing employee experience; and the way it disrupts the business model itself to create more value and enlarge the market base.

In this book, we examine the state of the banks’ response to the industry’s DT, focusing especially on leadership of DT. This book is built on the rigorous research and analysis I conducted for my Doctor of Business Administration (DBA) thesis for Business Science Institute and Université Jean Moulin (Lyon 3). This thesis, examining how banking leaders are leading DT, was based on insights and information of real banking DTs from interviews with a panel of bank CEOs, as well as an in-depth review of past academic studies on leadership, digital transformation, and a combination of both.

My professional experience, described below, put me in a unique position to conduct this research, analyze the results, and draw the implications that offer guidelines for successful DT.

My Personal Background

The early years of my almost 30-year career in the insurance industry included some IT functions (as I had studied IT and worked in IT before joining an insurance company) as well as sales and operations. As I rose through the ranks, leadership became an increasingly important focus of my job. For the past 16 years, I have been the CEO of three insurance companies, first in Egypt, then in Morocco, and finally in Luxembourg where I am the CEO of the insurance subsidiary of a large banking group. Thus, I developed throughout my career two passions: a passion for transformations and more specifically DTs, and a passion for leadership.

In reviewing the academic research on DT and leadership, I found extensive research on leadership as expected, less extensive but interesting research on DT (although some of it quite technical) and very little on the leadership of DT, perhaps because this combination is relatively new.

I thus decided to conduct research to identify and describe how banking leaders were conducting DTs in their companies.

My first goal was to develop an understanding of DT from the digital as well as from the transformational point of view. I wanted to