



## **How to structure and organise the digital team?**

Introducing the Digital /Multi-Channel Value Chain.

Recent research from McKinsey shows a key agenda item is all around: *how should companies best organise to capture the increasingly critical digital opportunity?*

Some 63% in a recent survey said that they were unsure how to structure and fit digital skills into their existing teams. 31% felt that digital was now requiring a totally new look at skills, teams, reporting lines and ways of working. 27% also commented that “integrating new digital talent” was proving “surprisingly difficult!”

So what’s causing this challenge and uncertainty? No-one doubts the importance of digital. Most every company, whether B2C or B2B, has seen how customers are demanding an increasingly online, automated, self-serve environment, how the customer expectation has rapidly developed for a seamless, integrated multi-channel experience, how getting that customer experience right can genuinely add incremental revenue and growth. So the need for people with digital skills and talent to drive this is clear. Whether in SEO or SEM, or effective e-mail marketing, or in user experience and site conversion, or in customer retention and CRM /database management, in site analytics or social media, whether via mobile or desktop...all these areas are acknowledged skills and areas of expertise which most every company nowadays recognises it needs to have.

The challenge seems to lie in the sheer size and range of new skills that a company must now embrace. Should we hire in all these different skills or can we focus on just a few, how can we budget for all this, can we see a way to get a return on this investment, how add these skills to the organisation while not upsetting the existing and still successful traditional routes to market and the people, experience and capabilities that go with that?

All the current advice on this seems to stay at the macro /30,000 feet level. It tries to answer questions like should there be a Chief Digital Officer, should digital report to the CMO or the CTO, should digital stand alone as a separate function or should it be integrated into one total group? But there’s little or no advice below those big questions. They are still important but once they’ve been decided then how organise the next level down? How structure the junior and mid-level managers and their teams? Where do they fit in?

This note sets out a possible solution for this. It looks below the Director level, below the CMO or the CTO or the CDO! It takes a view as to how to organise the key skills at the coalface, the experts who are doing the detailed digital and multi-channel campaign, customer and business development.

To help with this we can identify a series of key principles and guiding criteria:

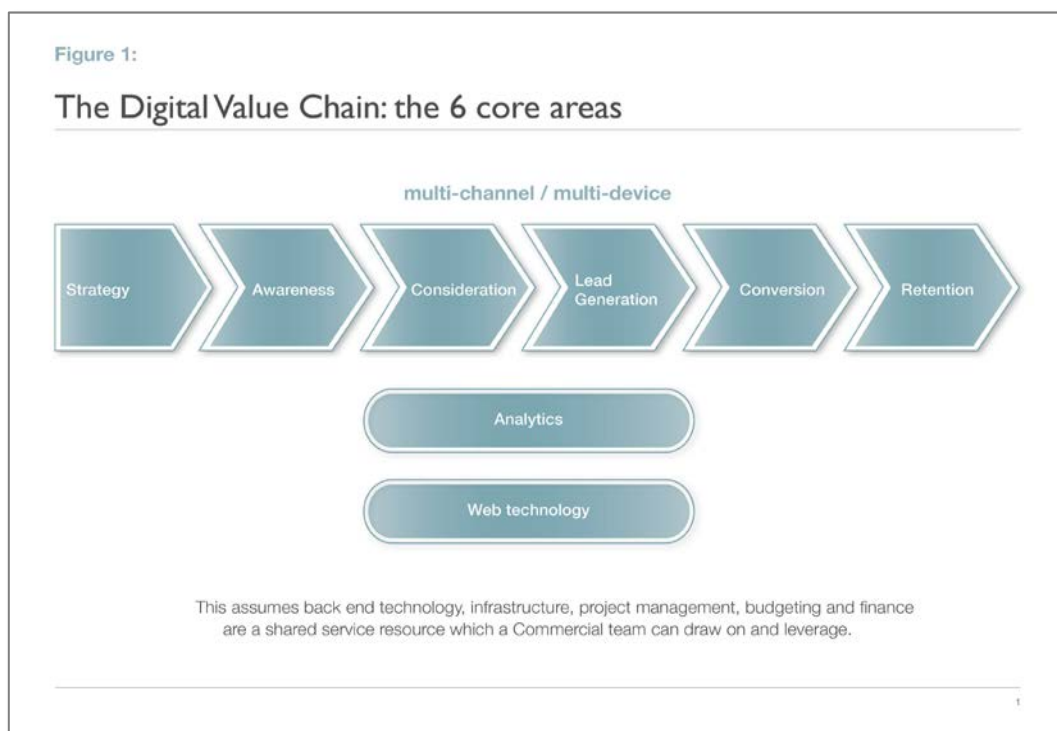
- (i) *Set up the structure with no more than 6 direct reports to the c-Level exec in charge.*
- (ii) *Keep it simple and manageable*
- (iii) *Make it measurable!*
- (iv) *Set things up in a multi-channel way so that that digital is integrated and not separated.*
- (v) *Establish the team so that together they can take one holistic and seamless view of their customer.*
- (vi) *Identify the key metrics and targets that can drive to a clear RoI on the persons or teams hired*
- (vii) *Keep it flexible: digital is evolving fast and areas like content, social media, mobile and self-serve are becoming increasingly key drivers of success. They may at some point deserve and require more prominence in the team structure.*

Recent studies from WPP’s Millward Brown, from e-Consultancy and also D-360’s own on-the-ground experience show that this desired digital and multi-channel skills set can best be categorised or structured into 6 key skill areas. We can describe those categories as forming the “*multi-channel and digital value chain*”.

The 6 key areas are:

- Strategy** (that includes Brand and Product strategy and road-mapping)
- Brand Awareness**
- Consideration** (eg the content, social media, collateral that the prospective purchaser considers)
- Lead Generation** (getting people onto the web site or eg into the call centre)
- Conversion** (getting the sale)
- Retention** (getting the customer to come back /make the next purchase, the “customer lifetime value”).

We can map this out in this way.

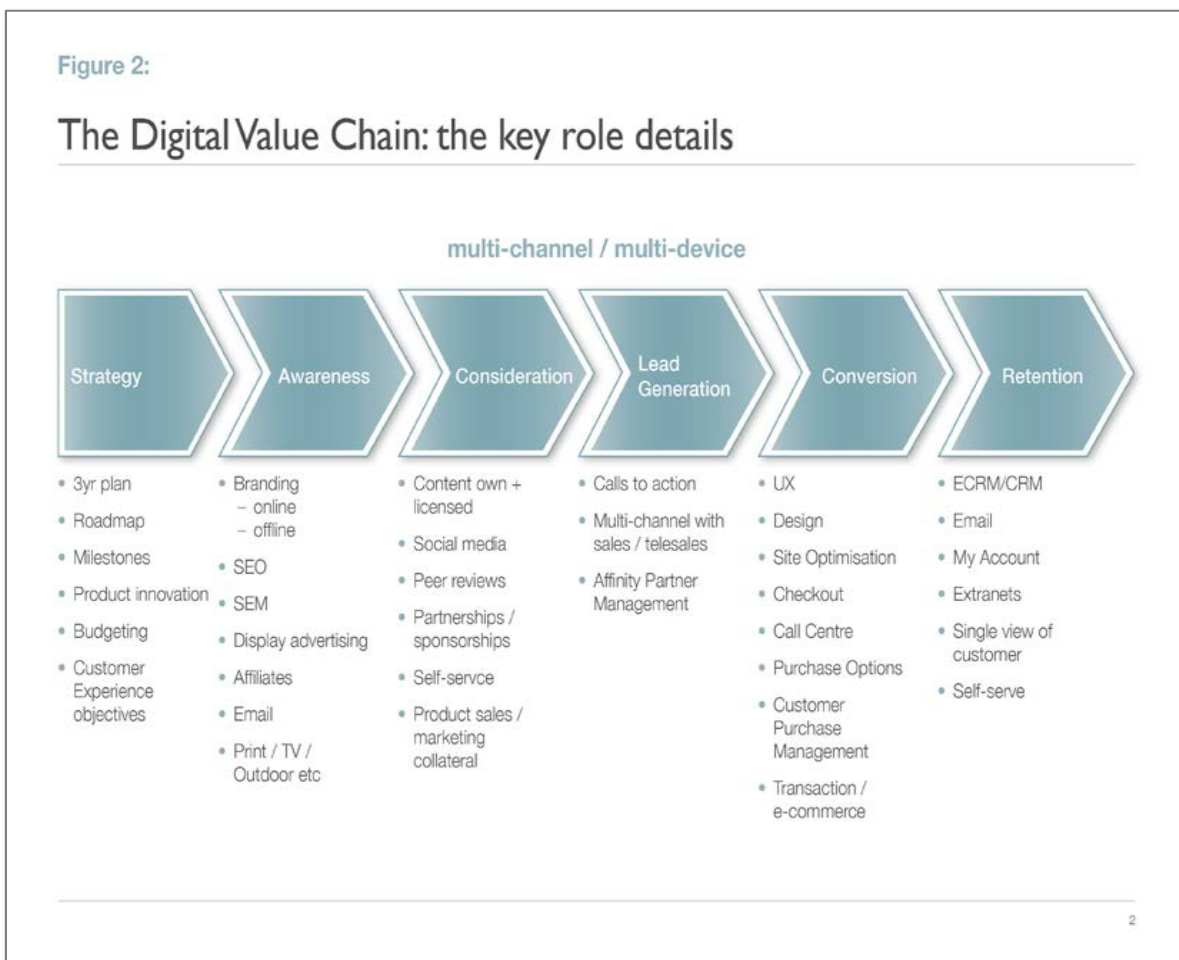


What we are looking at here is in effect the 6 key “Heads of Department” who would report into the c-Level Exec. They may each be directors in their own right. Or they may be “heads of” depending on size and type of company, resources and budgets and ultimately the level of ambition that the total company has. It’s all about getting digital /multi-channel working at its most powerful and deliver its greatest potential.

So what’s in each of these 6 departments or teams and why distinguish these 6 particular categories and stages in the value chain?

We can list out (Table.2) the key areas of skill, remit, task and responsibility that each of these team heads can be expected to cover. The chart /table here is not intended to be exhaustive and it’s certainly not a job profile. But it is a high level view of what can be expected and what’s involved.

And this listing helps reinforce why these 6 distinct team areas have been defined and identified. It is because each area is specialist in its own right. Each does require particular and specific skills and expertise. Someone for example who is expert on UX may not also be expert at Product Strategy development. Equally, someone who is engaged in social media and content development will not necessarily be the best skilled person to eg drive database insight and CRM programmes. The skills are different. And to get the best from the team then the most efficient way to organise is to recognise that difference and structure accordingly.



In early digital /multi-channel times, there was not the insight, the budgets, the returns available to start building out big teams with this sort of definition and distinction. Companies hired eg a “digital manager” and asked them to kind of oversee, well everything. Do the Search, the emails, the online advertising, the customer development, the e-commerce, the mobile app development etc. It is only in very recent times that the scale and size of the multi-channel opportunity has grown such that this level and size of team does become possible and the RoI can be seen and quantified.

There is no question that it is a virtuous circle. Set up the team correctly, make that commitment and investment, set key goals and measures of success, target a clear RoI and drive toward that.

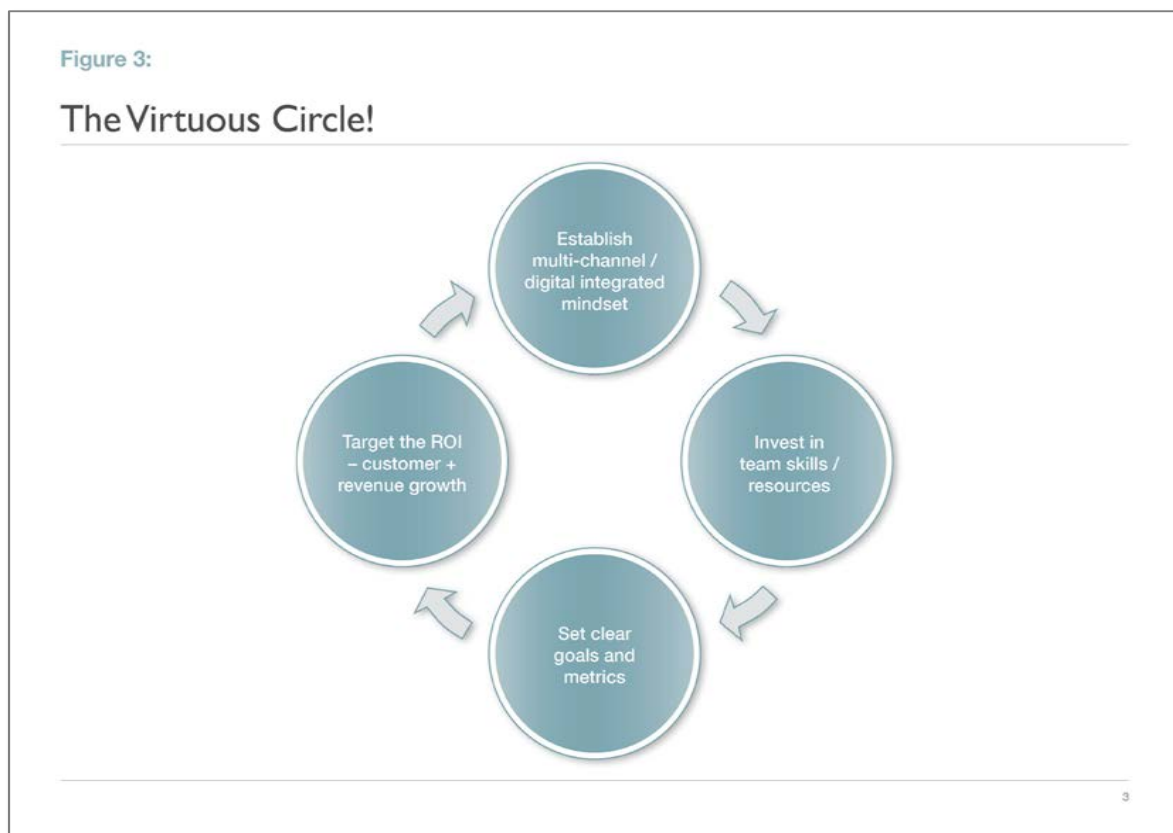


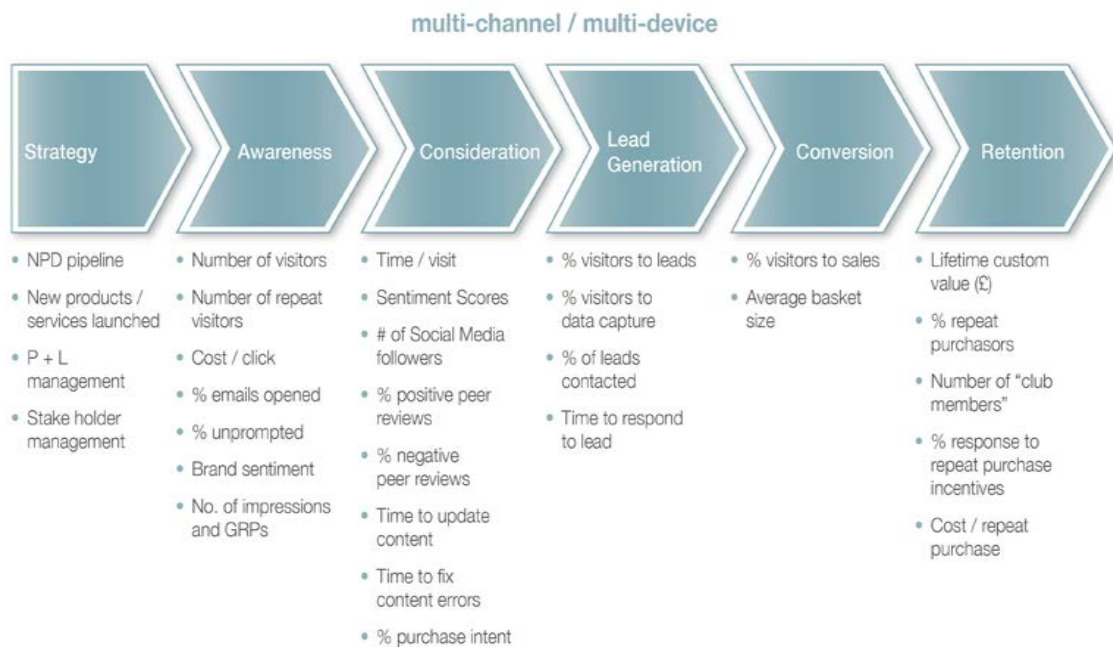
Table. 4 below now shows the metrics of success, the drivers of that RoI and customer /revenue growth. It immediately shows again how very different each role is. It demonstrates clearly that a company needs its team defined and set up carefully so that there are expert people, with the right skills, able and empowered to focus on a specific set of goals.

Setting things up along these lines makes the job of the c-Level exec in charge of all this all the more manageable and achievable. That person now has 6 key reports. Each is responsible

for a core and specific part of the customer multi-channel value chain. Each is tasked with a clear set of deliverables and metrics. A KPI dashboard can be set up incorporating the key metrics from each team at each stage of the chain. Success is all about getting all 6 teams to report continuing growth in their key metrics and ratios. Each is both a cost centre as well as a profit centre. If they are contributing in the right way, then their team is delivering. They can put forward investment proposals in their area and identify their potential RoI. That might be more resource or more funds or a new product /feature/service launch. But each step is therefore measurable and all the more manageable for it.

Figure 4:

## The Digital Value Chain: the key role metrics



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Any organisation research will always make the same observation: what is right for one company may not be right for another. Effective organisation structure depends as much as

anything on the company culture, where it puts its priorities, its readiness to invest, its status on the digital /multi-channel journey, the impact that digital is having on its customer behaviour and preferences and the size of the digital prize.

In addition, investment in this area will also be driven by the c-Level team. Some teams are inherently conservative and cost conscious, they take an incremental budget /costing /next 12 months approach and will always be reluctant to add to head count unless absolutely essential. Other teams may have more flexibility because their core business is doing well or because they intuitively see the bigger 3 to 5 year picture and recognise that if they don't invest in this area now then shareholder value may start to erode significantly as they potentially struggle to compete in a digital future.

Whatever the right solution for an organisation, then it's also important to stay flexible. Digital is moving and changing as we know fast and unpredictably. No-one was able to forecast the impact of the iPhone or iPad, few today yet understand the impact of digital 3D printing, or how social media is increasingly replacing paid traditional advertising, or how mobile on-the-go connectivity is replacing the desktop and laptop. It's a changing world of course and as companies organise their teams in this area it's important to constantly review the right skills and resources are in the right places!

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Recruiting excellence for this digital technology age

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