

# Gen X leads on digital transformation - and Millennials reap the rewards

 By [Lenore Kerrigan](#)

25 Nov 2016

As more and more businesses go digital to improve their competitiveness and customer service, it's easy to assume that the youngest employees are leading the way, those Millennial employees who were born into the internet-enabled world and are inseparable from their smartphones, laptops and social media accounts. Surprisingly that this isn't necessarily the case.



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Research shows that the Millennials' predecessors – so-called Generation X-ers born between the '60s and early '80s – are the main influencers, architects and drivers of digital transformation in the enterprise. And GenX is paving the way for its younger colleagues to reap the many longer-term rewards of digital business.

These findings, based on recent commissioned research conducted by Forrester Consulting on behalf of OpenText, have several implications for businesses that want to make the most of their digital transformation efforts. The research suggests that organisations need to pay closer attention to the generational makeup of their leadership (and leadership-in-training) teams. And we all need to play to each generation's strengths to maximize the potential for innovation and business success.

## Embracing the digital way

When a business embarks upon a programme of digital transformation, it's doing more than bringing a few services into the cloud or adding analytics capabilities to gain better insights from its mounds of historical and real-time data. To truly transform, an organisation must fully embrace a complete digital ecosystem, providing deep, engaging customer experiences through to powerful business insights, to successfully compete and to meet customers' expectations today and in the future.

A transformative approach requires organisations to adopt a range of digital strategies to operate and serve customers, suppliers, partners and employees. In effect, it means enabling organisational change and allowing businesses to adapt to fluctuating customer demands and competition from rivals both old and new.

This digital revolution has been called the 'Age of the Customer' and it impacts how businesses think and operate for success. Imagine a customer calling a business with a question about a product, then receiving an SMS text link that directs them to a mobile web page where they can order what they want simply by clicking 'Buy'... without having to repeat any of the information already given to the customer service representative on the phone. That's transforming a business process through digital.

"There's a fundamental difference between companies that apply digital technology as a bolt-on... and those that take a more holistic approach to transforming the way the company uses technology to deliver better customer outcomes and drive revenue," Forrester vice president and principal analyst Nigel Fenwick noted in an August 2016 [blog post](#), 'How to Solve the Digital Dilemma'. He added that it's the transformers who are "more likely to succeed because they recognise their customers' expectations are evolving."

The October 2016 OpenText-commissioned study, 'It's Not What You Think: Gen X-ers, Not Millennials, are Driving Digital Transformation', noted, "The power has shifted from organisations to customers, driving more digital disruption and persuading more companies to become customer-obsessed. This shift has changed the dynamics of the market and has implications for business: meet growing customer demands quickly, or fail."

## **Gen X: More 'clarity' on impacts**

So how does an organisation begin its digital journey? The decision typically begins at the top, usually with the CEO, although the more senior executives are on board, the better.

The CEO can set transformation in motion by aligning the business strategy with a vision for using digital technologies to improve innovation, boost customer satisfaction, increase revenues and become more efficient and competitive. Of course, turning this vision into reality also requires buy-in and support throughout the organisation. And, according to the research, the strongest champions for this can be found among Gen X leaders.

In seeking to understand how different generations in an organisation can affect digital transformation, Forrester conducted in-depth surveys of 240 Baby Boomers, Gen X-ers and Millennials. Some of the differences it found between the various groups were striking. When asked what they believe are the key drivers behind digital transformation, Baby Boomers were most likely to name 'growing revenue' as a motivator, while Gen X-ers put greater emphasis on how digital change can improve the way business itself works.

Fifty-one per cent of Gen X-ers questioned in the survey said improving time to market is a driver for change, compared to 42% of Baby Boomers and just 30% of Millennials. Gen X-ers are also far more likely to believe transformation is driven by a desire to improve innovation and bring new offerings to market (47%, compared to 32% for Baby Boomers and 37% for Millennials) and to create a seamless, harmonised customer experience across channels (49%, compared to 32% for Baby Boomers and 34% for Millennials).

"The data speaks for itself," noted the study, "Gen X not only understands what drives digital transformation and how to measure its success, but also has clarity on what impact the transformation has on different parts of the business."

## Empowering employees

What do these generational differences mean and how can organisations put these to work for everyone's advantage?

Well, while Gen X-ers are most likely to understand the benefits of digital transformation today, Millennials will be the ones reaping many of those benefits well into the future, not only from a commercial perspective, but also culturally. The youngest employees are more likely than the rest to recognise that digital change helps to improve employee satisfaction and company culture.

With these insights in mind, Forrester wrote, enterprises can foster transformational success by moving Gen X-ers with 'digital savvy' into more senior leadership positions, while also making sure Millennials are involved in decisions affecting the future.

"Firms that empower employees ... will find benefits in digital thinking," the study said. "Today this is Gen X but it will be Millennials soon enough."

One group with the particular skills and mindset to drive digital change in an organisation: Gen X technology managers who display strong business knowledge and technical ability. The study recommends moving such people out of IT departments and into business management and operations teams to help promote the multi-disciplinary skills needed to drive future change in the business.

"It's clear that Gen Xers – the leaders of digital transformation – are putting in place these processes to ensure the success of the Millennials tomorrow," Forrester concluded in its research. "And that's a good thing."

Having a better understanding of different groups' unique strengths can help boost the chances of a smooth digital transformation to compete today and in the future. And, while every part of an organisation needs to take part for a digital transformation programme to succeed, armed with this research, you can leverage your resources for the biggest impact and position your own business for success.

## ABOUT LENORE KERRIGAN

Lenore Kerrigan is the country manager for OpenText in Africa. She is an experienced executive in IT and telecommunications, with a vast range of experience in strategy, planning, management, sales, marketing and services. She has experience in working for international corporations, local large enterprises as well as startups. She is a qualified chartered accountant with a particular interest in governance, risk & compliance.

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