

## The C-levels of digital transformation: the roles of the CIO, CTO, and CDO

**Bogotá, Colombia** – “We tend to overestimate the impact of technology in the short term and underestimate it in the long run” – Amara Law –



These days it is very common for people to talk about “Digital Transformation,” the “Digital Economy” and the like. Although the phrase “Digital Transformation” can have many different meanings and connotations, the topic is in the list of “concerns,” “pendings” and “current leadership challenges” on the agendas of most organisations. According to Eduardo Pedreño, teacher at the Instituto de Empresa, there are many myths about this subject, but it is certain that “Digital Transformation” is not merely a trend but a topic that encompasses the entire corporate world, with technology one of the important elements in it.

We talked to technology leaders in Colombia and Spain in order to understand how they have faced Digital Transformation, and the challenges that they see from their position.

### How do you see Digital Transformation?

We have been addressing Digital Transformation for the last 25 years; companies and the world have been adapting technologies in order to introduce digital changes.

For Nuno Pedras, IT CE Director Iberia at the Coca Cola Company, three main challenges ultimately define Digital Transformation: **the management of information generated both inside and outside the organisation through different channels; setting the appropriate Digital Transformation strategy for the business** (not just the creation of websites and apps); **and reaching consumers and clients through the “customer journey,”** therefore identifying “moments of truth” for each one of them.

All three elements are quite complex to deal with simultaneously, and as Alejandro Gálvez - CIO at Cementos Argos - points out, in the end not all companies will be prepared to take them on. It is necessary to look at the transformation opportunities available to each organisation individually, and organisations should not undergo Digital Transformation “just because.”

Colombia still has a long way to go in this field. Sectors such as Banking and Retail are setting the pace, but the challenges are more complex in industrial companies and with a B2B approach, although the opportunity to manage and structure information would be a great competitive advantage here.

### How is the CIO role evolving?

Regardless of whether the organisation is in the process of Digital Transformation or not, the role of the Technology Leader (CIO, CTO, etc.) has changed. “Technology” must now be integrated into the business; the team is no longer merely a group of people who watch over the cables and servers, but must understand the business and its processes, and from that starting point, provide support and implement solutions. In the words of José Manuel Gutiérrez, CIO at Grupo Orbis, “We must work hand in hand with the business, and make technology a driver for solutions.”

Therefore, the area of technology as we understand it should no longer be merely transactional, and instead should become a source of information for business decision-making.

As Alejandro Gálvez noted, “Now I must understand the market through anthropology, the customer experience through advanced analytics, and I must create customised jobs with the right and necessary information.”

Another acknowledged reality is that the customer is changing too. As Gutiérrez points out, the new digital elements have allowed technology to edge closer to the core of the business. As technical language becomes more widely understood and used in all areas, IT gains a 360-degree view of the business.

Going a step further, Pedras does not see the next generation of the role as a CTO or CDO, but more as a “Digital CIO.” This must be a business leader, with business knowledge, and a solid digital network that improves and educates the other managers in order to gain a multi-functional vision, allowing the necessary changes to be made to the company. From Pedras's perspective, this director must be an ally of the CEO/President/Manager of the organisation.

In Colombia, this transformation of technology leaders is already taking place. Its origins lie in the new understanding of the organisations and their leaders that technology should be part of their Steering Committee, and will therefore be integrated into the business's strategic planning. It should not be strange for IT leaders to sit with Marketing, Finance, Logistics, etc., to holistically understand the organisation and contribute to the needs of the business.

### Who should lead the Digital Transformation processes?

Nuno Pedras says that although companies are tending to use CDOs as their Digital Transformation leaders, in his opinion the role should be a “Transformer” – someone who melds their understanding of the company's business model and processes with the necessary technical knowledge to foster and generate Digital Transformation. Therefore, for him, the role is more of a “Chief Transformer” and he speaks of a “Digital CIO” rather than a “Digital Officer” since the challenges will be found in using technology to produce a united strategy throughout the areas of management and business. For Pedras, the CTO will become an “Enterprise Architect” that will work hand in hand with the “Digital CIO.”

José Manuel Gutiérrez concludes that the digital world requires initiative; it's a matter of experience, jumping in, making mistakes, trying and moving forward. Therefore, Digital Transformation isn't just about the CIO, and as Galvez says, it must come from above.

There are three axes of Digital Transformation: **Culture, Processes and Technology**. Regardless of whether it is the CIO, CDO, CTO or another executive who leads the process, all areas will need to be committed and aligned in the understanding of how far we want to go – and can actually go!

It is important to understand that everything is highly specific to the type of company – for example, Digital Transformation is an entirely different proposition in a Services company compared to an Industrial company. The great challenge will be in the cultural change that organisations must finally take on, being clear on the extent to which the business should be digitised, and the business model that will adapt best to the demands of society and the world today.

It is an unfortunate reality that in some companies, there is still anxiety and apprehension about taking that big step towards Digital Transformation, but this must be seen as a path to improving productivity and an opportunity to start or reinforce innovation processes. This responsibility begins with the leaders, who must become the transformers of the organisational culture and create a working space where their collaborators will all move towards change, says Juan Carlos Garavito, General Manager of iNNpulsa Colombia.



[Fernanda Garcia](#) is the Country Manager for Colombia at [Pedersen & Partners](#). Before joining the firm, Ms. Garcia was the Country Manager for Colombia for another international Executive Search firm, where she was responsible for the business development of the client portfolio in industries such as Telecommunications, IT, Consumer Goods, Finance, Oil & Gas and Services. She has extensive experience in consulting and project management in Europe and Latin America with strong knowledge of human resources, change management and business processes. Before moving to the Executive Search industry, Ms. Garcia was a Senior Account Manager for a well-known human consulting firm based in Madrid, Spain. She has also gained experience as a Change Management Consultant at Ernst & Young, where she developed the practice for Colombia, Perú and Costa Rica.

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