

Mobile: The First 100 Days

Best Practices Harvested From Industry Leaders In Support Of A Customer Experience Transformation Journey

by Julie A. Ask and Jeffrey S. Hammond
August 11, 2017

Why Read This Report

Just because Fortune 500 companies weren't born mobile doesn't mean they can't evolve their development and delivery operations to build the next generation of mobile and digital experiences. But doing so demands many changes and strong senior leadership. Forrester interviewed more than 40 senior digital business leaders to learn how they drove change within their large enterprises.

Key Takeaways

C-Level Leaders Must Initiate Change

Dramatic changes that instill Agile processes, change culture, recruit expertise, and colocate teams typically start when the C-suite brings in an experienced senior leader and gives her autonomy and support.

Change Management Skills Are Just As Important As Technical Skills

Change management principles of building momentum through small wins, communicating early and often, and focusing on getting buy-in to your vision are just as important as native mobile development, cloud, and API design skills.

Be Agile In Spirit

Being agile demands that you have the right talent, culture, organization, metrics, and technology in place, not just a set of processes and tactics. Start your journey by ensuring that development shops have the right culture to attract and retain mobile talent.

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9 Supplemental Material

Related Research Documents

[Born Mobile](#)

[Develop Customer-Centric Applications Like The Pros Do](#)

[Digital Business Transformation: Lessons From The Pros](#)

[The Future Of Digital Experiences](#)

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Mutate Your Delivery DNA To Build Next-Generation Experiences

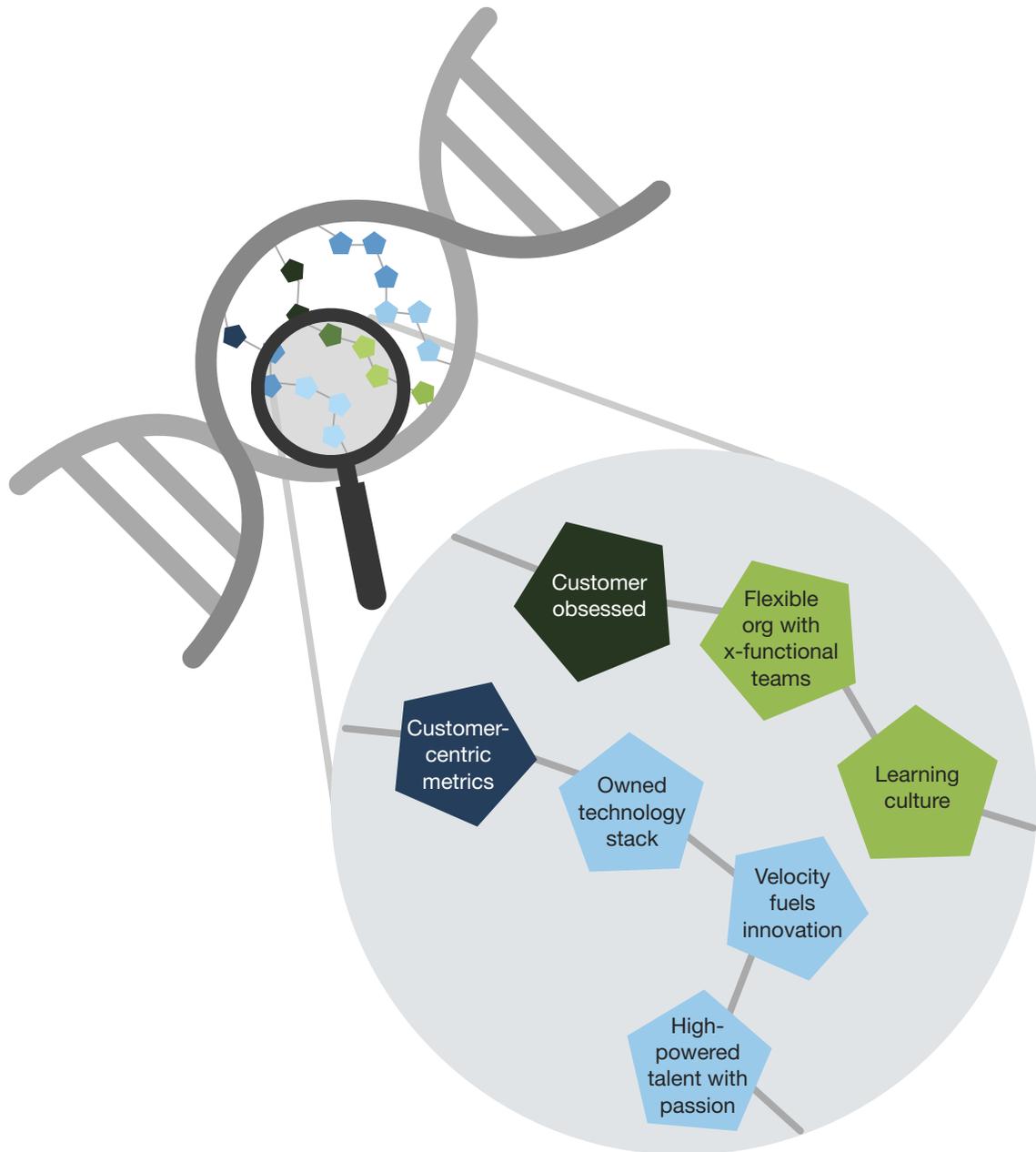
Most Fortune 500 companies don't have the right operational models to build and deliver the next generation of mobile and digital experiences. Their experience delivery operations are akin to large cargo ships carrying heavy loads on transoceanic journeys. "Born mobile" companies that adapt and deliver next-generation mobile services use operational models more akin to speedboats; they can change direction and speed rapidly to adapt to evolving consumer expectations and technologies.

Born-mobile companies have institutional DNA that fundamentally differs from most Fortune 500 firms (see Figure 1). While large enterprises struggle to evolve their digital delivery operations or mutate their DNA, leading digital organizations are making the shift with the active support and participation of application development and delivery (AD&D) leaders. Forrester interviewed more than 40 digital business and technology leaders in Fortune 500 companies to understand how they are transforming their operations and consolidating mobile delivery capacity. This report shares their wisdom on how to get started (see Figure 2).

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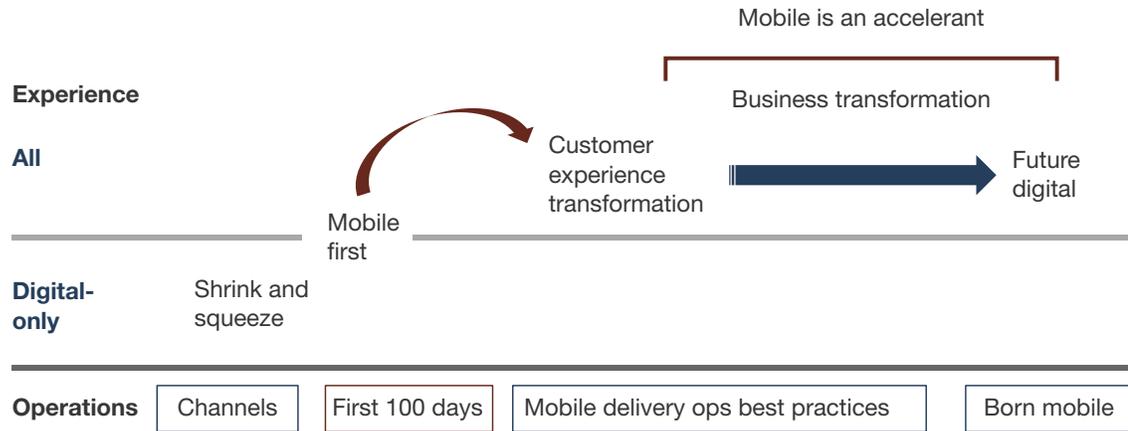
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FIGURE 1 Born-Mobile Companies Start Out Fundamentally Differently



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FIGURE 2 How To Start On The Path To Transform Digital Delivery Operations**1. Obtain Buy-In And Commitment From C-Level Leaders**

Transforming customer experiences with mobile technology demands cross-functional teams freed from the constraints of legacy organizations, waterfall processes, individualized metrics, and more. The most senior leaders within an organization, who are responsible for the future growth and viability of the business, must commit to this, including those in application development. Most of the senior digital leaders we interviewed were hired from the outside — not groomed from within. Successful change agents told us that real change begins when the C-suite:

- › **Recruits new senior leaders who make autonomy a condition of employment.** In at least half of the mobile-fueled digital transformations we discussed, senior leaders hired external talent to lead the change. External hires are better positioned to demand the autonomy necessary to drive widescale change; internal hires often make incremental decisions because their organizations haven't rewarded risk. Examples of change include new technology platforms, culture, talent, and processes. On the flip side, enterprises struggle to retain this talent once there is momentum.
- › **Actively engages the change process by relying on data-driven decisions.** Too many senior leaders pride themselves on impulsive moves, such as "We need an app" or "We should do [what our competition is doing]." The loudest voice in the room has driven decision making too often. The beauty of digital and especially mobile is that feedback is instantly available. At Expedia, the CEO participates in monthly meetings where the team reviews hypotheses tested in the previous month and agrees on next steps, including what new hypotheses to test. It bases decisions on data-supported KPIs defined upfront.
- › **Breaks the barrier between digital and development.** In traditional Fortune 500 organizations, execution is left to the technology group or a third party. But leaders we spoke with make key hires of design, development, and delivery skills within the digital organization or at least structure

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day-to-day reporting of delivery teams into digital product management. Some 69% of mobile executives colocate the teams for their mobile initiatives, and only 20% rely entirely on external app development resources.¹

2. Build Momentum With Small Wins That Add Value To Your Customers And Your Business

Many mobile executives gave us the same topline answer to the question “What is the one thing you would tell those just starting in mobile?” But CVS Caremark’s Brian Tilzer sums it up best: “Ensure you nail momentum overwhelmingly to things that are meaningful early on. You have to look at what builds confidence with decision makers.” From there, we peeled back the layers to learn more. Successful leaders who build momentum start with smart strategies. They:

- › **Understand their customers and their purpose.** A customer-centric view forces enterprises to have a strategy and make technology decisions that will deliver true value to both customers and the business. Well-defined business objectives force prioritization. As one insurance professional said: “We didn’t spend enough time trying to understand our customers’ pain points. As a result, we were too incremental — we chased our tails a bit. We missed an opportunity.” Walgreens’ former CTO Abhi Dhar goes further: “Everyone needs to be an advocate of the customer.”
- › **Choose projects that matter to both consumers and their business.** First focus on services essential to your customer. If you don’t, you won’t drive the adoption or engagement you need to demonstrate success. From there, SPG’s Alyssa Waxenburg told us to tie those initiatives to business priorities like customer satisfaction, loyalty, and, in SPG’s case, revenue. More than one executive told us, “When you are delivering tens or hundreds of millions in revenue (if not more), your C-suite pays attention.”
- › **Adopt a minimum viable product (MVP) approach with Agile teams.** A five- to seven-person Agile IDEA team can’t boil the ocean in six to eight weeks — nor should it. Ask not “How much can we deliver?” but “How fast can we get into a customer feedback cycle?” Mobile telemetry, engagement analytics, and real customer ratings will drive faster improvement than lengthy requirements documents or extended beta cycles. Some 34% of executives involved in digital transformation release updates to their core app monthly, and a further 7% do so weekly.²

3. Communicate Early And Often With Everyone — Not Just Digital Leaders

People fear what they don’t understand. Change especially scares people if they feel their compensation or jobs may be at risk. Enterprises don’t incentivize most employees to take risks — rather to maintain the status quo with incremental growth. Mobile doesn’t typically eliminate staff, but it does change organizations, processes, roles, and metrics in addition to how employees work. Communicating early and often to gain buy-in is essential according to The Home Depot’s Matt Jones. Application development leaders who successfully drive change:

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- › **Build bridges throughout the organization — especially with digital.** Mobile casts a long shadow and will impact many people. For example, while US consumers spent about \$60 billion on their mobile devices in 2016, mobile influenced \$1.2 trillion in sales.³ But application development leaders must work closely with their digital business counterparts to generate these results. To create a unified online and offline photo product offering, Walgreens' former CMO Sona Chawla had to build bridges between eCommerce, development, and stores; this resulted in an increase in the percentage of online orders from mobile for prints from 1% in 2010 to 40% in 2013.⁴
- › **Use design thinking to complement Agile process investments.** Agile processes address the speed of delivery, but they aren't customer focused *per se*. Pairing outside-in experience design techniques like customer journey mapping, ethnography, and information design, smart organizations work with design thinking professionals to anticipate changes and communicate early and often. "Mobile is as much about change management as it is about technology or what you can build," advises the American Museum of Natural History's Chief Digital Officer Catherine Devine.
- › **Are accountable early on to everyone.** Digital offers a fast and unparalleled view of what is working and what isn't. As your team takes on more responsibility for business outcomes, "don't look for excuses," says IHG's VP of Mobile Solutions, Digital Guest Experience and Applied Discovery Bill Keen. "You'll build the trust you need when people learn to trust you with their money." Franchise models like hotels and quick service restaurants face phenomenal pressure here because they are not spending corporate funds but those of small business owners operating, at times, with slim margins.
- › **Support their digital allies.** Many digital leaders are new to their organizations. More than one told us: "I wish I had listened more early on. I underestimated the resistance I faced and the lack of understanding that executives had of the impact mobile would have on the business." While the C-suite expects these leaders to be autonomous, digital leaders need the help of the C-suite to sell mobile internally and get the broad buy-in they need for budget and to drive change downstream. They also need the support of development leaders to reconcile the opportunities that mobile moments present with what's technically possible.

4. Shift How Your Organization Views Mobile

Mobile sets your customers' expectations and offers the context or insights that you need to win, serve, and retain them. Your company can't treat mobile as another tech project. Everyone, from senior managers to field employees, must buy into the vision that mobile changes not only how you serve customers but also how each employee works. Those teams that create a common vision:

- › **Persevere to build a mobile strategy — not just an app.** Your executives will want an app to keep up with the competition. Your application development counterparts may view mobile as a distraction — just a small screen with low conversion rates, too few downloads, and little

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engagement. As Hilton Hotels' Senior Vice President Digital Product & Innovation Joshua Sloser told us: "Persevere with building a strategy. It takes some wins to get the organization behind you, but it's worth it in the long run."

- › **Use mobile to integrate their business.** Mobile isn't a subset of a company's digital or technology strategy. Mobile is an enabler of a broader business strategy and the prime front-end consumer of your cloud, API and infrastructure integration strategy. Figure out how mobile fits into and supports your enterprise's existing objectives. Help your executives understand what new opportunities mobile enables. Work with enterprise architects to ensure that your infrastructure is ready to support the demands of mobile experiences. AARP's SVP of Digital Marketing, Strategy and Innovation Nataki Edwards echoed this wisdom: "Evolve your business strategy given what mobile offers. Don't just build an app." CVS Caremark's Brian Tilzer offered similar advice: "You have to be able to contribute within the context of the business."

5. Drive Operational Changes Across Staffing, Culture, And Process

Traditional workplace environments with fixed cube farms, steep hierarchies, and cultures that reward not making mistakes will fail to make the changes necessary to operate in an environment where technology and consumer expectations change so quickly. Application development leaders must hire the right talent and drive the cultural change needed to keep them. How to start?

- › **Get the talent right first.** The talent you need to get started differs from those you need to succeed in the long run. Application development leaders need sprinters and creative, experienced developers early on; if you can find digital or mobile natives, that's even better.⁵ You can add long-distance athletes later. Early hires set the strategic vision and shape the culture. Once you get them, trust them. You'll spend 80% to 90% of your budget building a technology stack to deliver mobile experiences that will multiply rapidly. As Whistle Co-Founder Ben Jacobs says: "Hire a couple of really good people rather than scaling fast. You don't need a big team — technology scales, not people."
- › **Become Agile in spirit and practice.** Most executives we interviewed didn't call themselves "Agile," but they were on a path toward being more Agile. They hired Scrum masters or augmented their internal staff with external Scrum masters to transfer knowledge and teach their organizations how to operate with an Agile philosophy. Place small bets and learn from them. Invest more where you get traction, and recover quickly from mistakes. As Expedia's Vice President of Global Product David Fleishman told us, "Great product managers are only right a third of the time."
- › **Create a culture that tolerates failure to drive speed.** Chasing feature parity is a strategy for slow followers. Leaders and fast followers start work with smart hypotheses and test them. Sometimes they are right; sometimes they're wrong. In 2017, there is no alternative to an MVP approach for consumer-facing experiences. As Grubhub's CMO Barbara Martin Coppola says: "It is about trying, trying, and trying until you make it. Don't rest until you figure it out. We felt very confident about some things we got wrong until we tested."

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- › **Combine a long-term vision with short-term plans and builds.** Many of our interviewees reiterated this message. Don't build 12- or 24-month road maps; test and learn instead. As Deere & Company's Aaron Senhoff says: "Just ride the wave. If you analyze or think too much about the risk, you'll move too slowly and miss obvious opportunities."⁶ Tjaling Smit, former SVP of digital at KLM, echoed this advice: "It is completely impossible to think of or design the ultimate customer experience and try to map it. By the time you have developed it, the puck will have moved. Just try. As soon as you know what sticks, move on and go to it. Don't strive for one big end state."

6. Challenge The Status Quo To Drive Collaboration With Digital Teams

Digital business leaders have a history of working around their technology teams when they start and ramp up the delivery of mobile services. AD&D leaders must ask themselves why. If business leaders feel pressure to chase new opportunities quickly and keep up with the competition and consumer expectations, they won't wait for development leaders focused on maintaining costs or architects pursuing standards and a change-averse approach to delivery. Instead, business teams will look externally for help, all too often at the expense of long-term success. Make sure your firm doesn't fall into this trap by working with digital leaders to foster collaboration.

- › **Form one team with business and technology members.** An "us versus them" mentality will fail. While CMOs own business professionals like product managers and product marketers and CIOs often own developers, everyone must speak a common language and operate as a single, colocated team with common metrics. Colocated teams with shared goals also share responsibility to deliver the results. As IHG's Bill Keen says: "We stopped [using] language like 'the business team this' and 'the IT team that.'"
- › **Use a "two in the box" model to minimize conflict.** Business leaders chafe when mobile is treated as just another tech project. Technology leaders chafe when business peers aren't invested in day-to-day decision making. The "two in the box" model makes a product manager and a Scrum master collectively responsible for successful on-time delivery to achieve the business outcome. It localizes scoping tradeoffs inside the delivery team and limits trust-sapping escalations. FedEx's Charlie Ciaramitaro echoes this: "The beauty of Agile is that there are no arguments within the teams or the executives."

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Supplemental Material

Companies Interviewed For This Report

We would like to thank the individuals from the following companies who generously gave their time during the research for this report.

AARP

CheBanca

Alex & Ani

CIBC

All England Lawn And Tennis Club (AELTC)

Commonwealth Bank of Australia

American Museum of Natural History

CVS Caremark

Australian Taxation Office

Deere and Company

Caterpillar

Estée Lauder

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| | |
|--|----------------------------------|
| Expedia | RetailMeNot |
| FedEx | Spring Mobile |
| General Motors Financial | Starwood Preferred Guest |
| Grubhub | Talbots |
| Hilton Hotels | Target |
| Horizon Blue Cross Blue Shield of New Jersey | TD Ameritrade |
| IAG | The Home Depot |
| iBeat Life Monitor Smartwatch | T Rowe Price |
| IHG | Ulta Beauty |
| KLM | Union Bank and Trust |
| Lark Technologies | United Airlines |
| Macquarie Group | United Parcel Service of America |
| Michael Kors | Westpac Banking |
| Nationwide Mutual Insurance | Whistle |
| Nestlé | YMCA Twin Cities and Minnesota |
| Recreational Equipment | |

Endnotes

- ¹ Source: Forrester's H2 2016 Global Mobile Executive Online Survey.
- ² Source: Forrester's H2 2016 Global Mobile Executive Online Survey.
- ³ Source: David Kaplan, "Mobile Influenced \$2 Trillion In Retail Sales In 2016," GeoMarketing, February 28, 2017 (<http://www.geomarketing.com/mobile-influenced-2-trillion-in-retail-sales-in-2016>).
- ⁴ Source: Ted Schadler, Josh Bernoff, and Julie Ask, *The Mobile Mind Shift: Engineer Your Business to Win in the Mobile Moment*, Groundswell Press, 2014.
- ⁵ As speed is essential early on and you don't have time to sell your vision, start with employees who completely buy into mobile already. Professionals with two decades of experience building websites understand your architecture well and can be valuable assets but lean too much on doing old things in new ways or making incremental changes. Later on, you can migrate those who understand your industry, company, and back-end systems well.
- ⁶ Aaron Senhoff's full title is engineering manager, on board applications at Deere & Company Intelligent Solutions Group.

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