How Forbes Is Digitally Transforming Itself

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R evamping a century-old business magazine is like changing car tires at 100 mph, according to Salah Zalatimo, chief digital officer at Forbes. Like a Nascar pit crew, the team responsible for transforming a company like Forbes has to work quickly and precisely.

Forbes's print and digital departments used to operate independently and even had separate offices. But the two eventually merged as Forbes restructured its digital operations.

Two years ago, Forbes restructured to enable stakeholders to pull together teams that include data analysts, web designers, engineers and developers. This reduced the back-and-forth messaging that slowed things down when each group operated within its own silo, Zalatimo said.

And Forbes isn't the only company where silos are a challenge to digital transformation.

Three in 10 IT decision-makers polled by Vanson Bourne and SnapLogic said data silos are among the biggest challenges to companies undergoing digital transformation. In an Adobe and Econsultancy study of IT professionals, 42% said departmental silos were common digital transformation barriers. Only 11% of US employees surveyed by Experian said that silo mentalities prohibit digital transformation. Meanwhile, organizational silos were considered

the top barrier to digital transformation in a study of executives by Harvard Business Review.

Barriers to Digital Transformation for Companies Worldwide, by Industry, Aug 2018
% of respondents

	Financial services	Healthcare	Manufacturing	Technology	Total
Organizational silos	35%	37%	40%	41%	38%
Legacy processes	38%	34%	29%	38%	34%
Lack of key digital/data analytics skills	30%	34%	50%	22%	33%
Resistance to change	29%	27%	34%	33%	31%
Current organizational structure impedes transformation efforts	24%	31%	30%	29%	29%
Insufficient budget/funding	18%	23%	23%	17%	20%
Lack of vision/strategy	18%	20%	21%	16%	19%
Lack of collaboration/alignment between business and IT functions	18%	16%	15%	19%	17%
Data privacy and security concerns	17%	16%	10%	18%	15%
Inability to experiment effectively (e.g., lack of process for iterating, testing, and piloting new solutions)	19%	9%	14%	12%	14%
Inability to get data to the right people at the right time	9%	16%	9%	14%	12%
Regulatory requirements	18%	14%	6%	3%	10%
Lack of executive level support/buy-in	11%	8%	11%	9%	9%

Source: Harvard Business Review (HBR), "An Inflection Point for the Data Driven Enterprise" sponsored by MicroStrategy, Snowflake and Wipro, Nov 29, 2018

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But despite the negative connotation, silos aren't all bad. While they can hinder collaboration, according to M2 Events CEO Drew Ianni, silos are centers of expertise that shouldn't necessarily be knocked down.

"To me, it's never been about blowing up the silos," Ianni said. "It is about making the silos work better together because you don't want to lose the expertise."

Aside from bringing employees from different departments closer together, Forbes's restructuring has also allowed employees in IT to become product owners instead of acting only as a support group for other departments, according to Zalatimo.

"Once you become proactive and more advisory instead of reactive, the work is no longer based on 'when there's a fire you got to put it out,'" Zalatimo said. "Now it's based on trying to figure out how to make it

better and there are always more ideas than there is time, so it takes a constant effort."

During the process, Forbes switched to a continuous deployment strategy. Instead of releasing a batch of products once every week, continuous deployment enables Forbes to adjust products instantly. They now update and release products multiple times per day—much faster than the old approach.

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>
> **SALAH ZALATIMO**
> CHIEF DIGITAL OFFICER, FORBES

"When you move away from the project-driven mindset, there's no start or stop to any given product always being optimized," Zalatimo said. "So instead of [stakeholders] issuing a project, they have to assess the project. They might be challenged. There might be pushback, and there might be a request for follow-up and data. It shifted the mindset of our stakeholders quite a bit."

Over the past year, Forbes has been actively focused on digital. It redesigned its website, built a CMS, created artificial intelligence (AI) tools for its writers and experimented with publishing content through a blockchain platform. It seems to be paying off: The company claims that 2018 was its most profitable year in more than a decade.

While Forbes's digital transformation was geared around the specific needs of its own business, there are a few takeaways that can be applied elsewhere. For media and marketing organizations considering their own digital transformations, Zalatimo suggests:

- Using objectives and key results (OKRs) to make sure everyone in the organization is working toward the same goals.

- Backing decisions with data.

- Having product managers, engineers and designers report into the same team, which creates trust between stakeholders and facilitates interpersonal bond building.

- Constantly communicating with the employees whose departments are being restructured.

- Being patient with incremental progress.

"A culture is really a collection of habits," Zalatimo said. "When you talk about transforming an organization, it's about changing a culture. That takes a long time; I would say a minimum of three years for an organization of serious scale. So we did it slowly and took baby steps that helped to not rock the boat too much."

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