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# Digitalization at a Family Business in the Financial-Services Industry: A Case Study

MASTER'S THESIS

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## Abstract

Digitalization is a requirement for businesses to succeed in today's competitive and rapidly evolving business environment. Despite this, approximately 70% of all change initiatives fail. This low success rate may indicate a lack of a valid model or method for implementing and managing digitalization. Although family businesses represent most businesses worldwide, the specific opportunities and challenges that family businesses face regarding digitalization have received little research attention. Therefore, the aim of this research was to provide a model suitable for implementing organizational changes – specifically, digitalization – among family businesses in the financial-services sector. For this purpose, 12 semi-structured interviews of employees, managers, and top managers at a family business were conducted and analyzed using the Gioia Method. The findings showed several points of attention in the organization's business process. For example, in addition to the stakeholders influencing the business, the stakeholders were influenced by the business' choices and actions. The way of working for the business changed after the implementation of the change process. Implementing digitalization in the family business required a more detailed and recent model than the known change models. This resulted in a new model containing phases, which can guide other family businesses through organizational changes such as digitalization.

Keywords: digitalization, change management, organizational change, change model, family business, stakeholders

# Content

# 1. Introduction

Change has become the norm for businesses to succeed and survive in an ever-expanding global business environment. Despite the existing literature containing many cases of organizational change, the success rate of change initiatives among businesses is less than 30%, and recent literature notes that this rate is not improving (Al-Haddad & Kotnour, 2015). Advanced technology, competitive pressure, globalization and a changing workforce are factors that drive businesses to initiate and implement planned changes (Schouten et al., 2018). According to Conz et al. (2023), the value of a family business – more than other types of businesses – depends on the business's ability to stay in the market longer than their competitors. Family businesses that stay in the market for a long time endure times of rapid change partly due to exponential technologies. These businesses are persistent in times of chaos and crisis, especially when compared to other (non-family) businesses (Conz et al., 2023).

Existing businesses are being disrupted by digitalization and related transformations, and these factors are changing the positions and roles of established and new players in the sector, as well as those of customers (Lähteenmäki et al., 2022). Digitalization is the most important condition for offering internal efficiency or external opportunities in businesses, such as new services or products for customers. In addition, digitalization can generate disturbing changes in the working environment of the business. There is no 'silver bullet' for tackling digitalization (Parviainen et al., 2017). Family businesses can innovate and optimize their business' internal processes through digital technologies. In addition, digital technologies enable the development of new products and business networks (Tantini, 2019).

Digitalization brings enormous potential benefits. For example, it can reduce costs by up to 90% for information-intensive processes. However, despite the importance of digitalization being widely known, businesses often struggle to understand its potential benefits and impact. In addition, there are many obstacles in practice regarding digital transformation. The aspects of a business affected by digitalization include products and services, organizational culture, internal and external processes, information technology, strategy, and business models (Parviainen et al., 2017). Family businesses face specific challenges, including conflicts between generations. Younger generations push for digitalization and immediately accept it, while older generations are more reluctant. To ensure that products and services continue to meet the requirements and desires of customers, and so that the business can continue to respond to technological developments and to customers, digitalization requires major changes from business (Batt et al., 2020).

The aim of this research was to provide a model suitable for implementing organizational changes – specifically, digitalization – among family businesses in the financial-services sector. Therefore, the research question was as follows:

*"How are digitalization and organizational change implemented at a family business in the financial-services sector?"*

To answer this question, the various aspects of organizational change were researched through the following sub-questions:

1. *"What does the business process look like and how does the business know in which phase the business is in?"*
2. *"How are the stakeholders of family businesses affected by digitalization?"*
3. *"What opportunities are created by digitalization and how can they be used?"*

## 1.1 Theoretical contribution

There are many studies on organizational change and therefore many change-management models, such as Lewin's three-step model, PDCA, and ADKAR. However, as mentioned by Schouten et al. (2018), little attention has been paid to how change recipients understand and interpret the process of identifying the issues that motivate organizational change, let alone how businesses identify solutions. As such, it is important to pay close attention to employees and other stakeholders to balance the richness and complexity of change. In addition, it is important to pay attention to the acceptance of change at top- and middle-management levels. While family businesses represent most businesses worldwide, the specific opportunities and challenges that family businesses face in terms of digitalization have received little research attention. According to Batt et al. (2020), such research is necessary to gain more insight into modern family businesses, which insight would enable advising family businesses and guiding them in managing digitalization. As previous evidence suggests, according to Batt et al. (2020), there is some reluctance to embrace digitalization among family businesses; however, it remains unclear why. Therefore, there is a demand for more research on the specifics of digitalization in family businesses (Batt et al., 2020). As a contribution to the existing literature, this research aims to broaden the limited literature on digitalization among family businesses in the financial-services sector.

### 1.2 Practical contribution

This research was conducted at a consultancy and family business in the financial-services sector. The organization advises business and private clients on insurance, mortgages, pensions, banking, absenteeism, and buying and selling real estate. The business is developing a new policy plan for 2025, in which digitalization is an important pillar. Because every business situation is different, research is needed to find a method suitable for implementing organizational changes – specifically, digitalization– among family businesses in the financial services. Consequently, the business can use the results of this research as a guide in the digitalization and organizational change process. In addition, the results of this research can provide advice for other family businesses going through a digitalization or organizational change process.

This paper is structured as follows: First, a review of existing theories is given in Section 2. Section 3 provides the method used for this research. In Section 4, the findings are presented. Then, in Section 5, the findings are discussed. Finally, Section 6 concludes the paper.

# 2. Theoretical framework

The theoretical framework offers a comprehensive overview of the current position of research on the topics of change management, digitalization, family business, and stakeholders. First, *change management* is described, as are the existing related models and methods. Subsequently, *digitalization* and the difference between *digitalization*, *digitization* and *digital transformation* are described. Next, *family business* is described, and, finally, the types of stakeholders are discussed. These components are described because these components describe the research question.

## 2.1 Change management

According to By (2005, p. 369), *change management* is "the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers." At both operational and strategic levels, *change* is an ever-present feature of businesses. As such, it is important for businesses to determine where the business must be in the future and what changes are required to get there as well as how such should be managed. The most important task of management is to lead organizational change. These organizational changes are driven by events such as increasing globalization, deregulation, technological innovation, and shifting social and demographic trends. The need for change is reactive, discontinuous, and ad hoc and is therefore usually unpredictable. The need for change is usually caused by organizational crisis. Change can be caused by internal or external factors and can come in all shapes and sizes. In other words, change affects all businesses in all sectors (By, 2005).

Successfully implementing and sustaining change requires effective leadership and management. Most often, change initiatives fail due to poor management, including poor planning, monitoring and control, incompatible policies and practices, and a lack of resources and knowledge. Factors such as focusing on the end goal and not on the process, a lack of milestones and not monitoring progress, and making adjustments where necessary also play roles. In addition, necessary resources such as budget, systems, time, information, expertise, knowledge, and skills are often lacking. Furthermore, business policies and practices sometimes remain the same and thus no longer align with the goals and strategies for change (Gill, 2002).

To improve, businesses around the world must change their ways. This is partly due to the development of technology, changing needs of stakeholders, and economic pressures. Many change initiatives fall short of expectations while requiring major investments in energy, time, and resources. Leadership plays an important role in setting the direction of change, inspiring and ensuring the implementation of change. In addition, the required change must be identified and defined, which often goes hand in hand with financial pressure. Furthermore, people within a business make the most important contribution to successful change. This makes leading the change of corporate culture very important. This is called the soft side of managing change. Moreover, good communication is crucial in a change process. In addition, the involvement of external consultants may be valuable in managing change (Oakland & Tanner, 2007).

### 2.1.1 Models and methods

The models described below have been developed by key authors in the field. The models were selected based on the most popular results in a Google search (‘change management models’ 1,050,000,000 results in 0.47 seconds) and based on the models that the case-study business was already using. These models were used as basic input for what a change process looks like and which phases it consists of.

1. **Lewin’s three-step model**

Within change management, Lewin’s three-step model is perhaps the most well-known and influential approach. The model has been built and developed over many years and is based on a deep understanding of human psychology and behaviour. The model is a repetitive process of action and fact-finding. According to Lewin’s work, behaviour change shows a sequential pattern of thawing, moving, and freezing. According to Lewin, successful change includes the freezing of the current level if necessary, the transition to the new level, and the freezing of group life at the new level. These steps of the process are as follows:

- Step 1: The Unfreezing Process
    - According to Lewin, unfreezing is a challenging process, one of re-education in which people change, replace, or transcend their patterns of thinking, appreciation, willpower, or overt behaviour. Unfreezing is necessary for change.
- Step 2: The Moving Process

- When the factors and people who insist on change outweigh those who oppose change, the moving process occurs. Due to the complexity of the factors and people involved, the outcome of this process is often difficult to predict. Hence the repetitive and exploratory nature of action research.

- Step 3: The Freezing Process
    - The freezing process describes the changes necessary to make the new situation permanent. To avoid regression, this process requires the new behaviour to be reinforced by and consistent with the people involved, their behaviour, personalities, and environment. According to Lewin, social change is a group activity because changes in individual behaviour do not last unless group norms and routines also change. While this process requires organizational changes in norms, policies, culture, and practices, freezing also stems from the nature of the change process and the level of participation (Burnes, 2020).

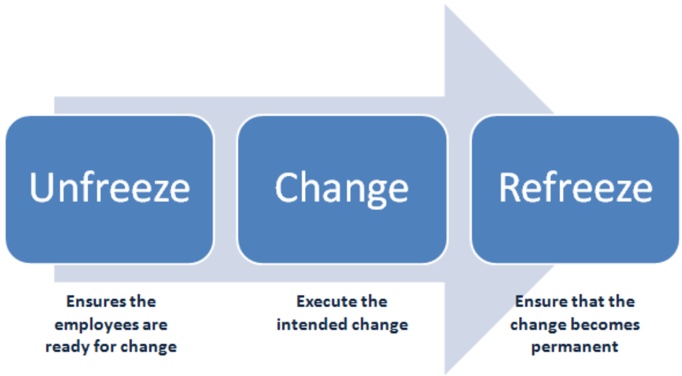


*Figure 1: Lewin's three-step Model*

2. **Kotter's 8-Step Model**

According to Kotter, leaders can change organizations by going through the following steps sequentially (Figure 2). Failure to complete these steps in order usually causes problems (Brock et al., 2019).


*Figure 2: Kotter's 8-Step Model*

## 3. McKinsey's 7-S Model

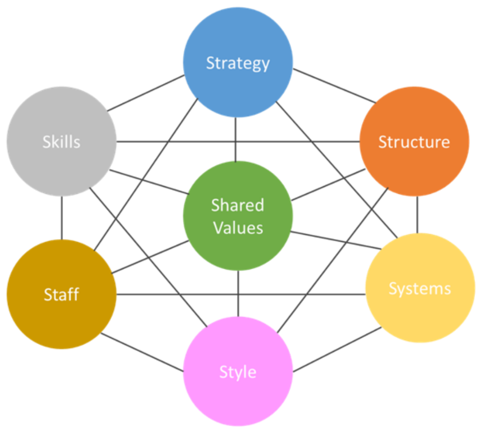


*Figure 3: McKinsey's 7-S Model*

Executives experience widespread frustrations regarding adequately dealing with common management problems related to organizational and strategic factors. To address this, McKinsey developed the 7-S model, which links strategy not only to structure but also to five other elements, all of which are interdependent. The seven elements are as follows:

• Strategy: All of the steps a business takes to protect or strengthen its competitive position by offering clients a distinctive value in advance of changes in the external environment.

• Structure: The ability as a business to focus on structural dimensions or design parameters that are important for the development of the business and to be ready to anticipate when crucial dimensions shift.

• Systems: The informal and formal procedures that ensure that a business functions. Because real work depends on informal systems rather than formal systems, in addition to understanding the formal procedures, it is important to understand how the business actually functions.

• Style: What is strategically possible for the business mainly depends on the leadership style within the business. The market orientation, risk appetite, leadership style, and time commitment of management is especially important. In addition, leaders must be able to plan well, and their focus must be on the right place.

• Staff: The workforce is perceived as being between *hard* and *soft* issues. For example, *hard* issues refer to salary scales, and *soft* issues refer to attitudes and motivation. It is the job of managers to ensure that the business retains and attracts the right people. People are viewed as resources to be developed, guarded, and nurtured.

• Skills: Enables the business, given a chosen strategy, to realistically evaluate its capabilities against the typical critical success factors.

• Shared values: This is the core of McKinsey's model. Shared values are at the core of business culture and determine the core attitudes and ambitions of the business and its employees. Businesses that need to change their values are trying to make profound transformations. These transformations entail thorough reviews of all business aspects. These initiatives have a high failure rate, partly due to the lack of success in implementing new shared values capable of embracing the changes required to achieve the ambitious goals of these initiatives (Channon & Caldart, 2015).

### 4. ADKAR Model

The ADKAR model enables the improvement of the connection between business results, individual performance, and organizational change management. The model focuses on the causes of failure. This model offers a clear and well-arranged representation of a change process that immediately shows where the process gets stuck and which elements are missed. This result-oriented approach allows focus and energy to be directed to the element that has the best chance of success. When a current change fails, the model can help businesses plan changes effectively or identify where things are going wrong so that corrective actions can be taken to make the change successful. When people understand the need for the change, they are committed to making the change work within the business. Each step must be completed sequentially. The steps of the ADKAR model are as follows:

1. Create understanding of the urgency for change.
2. Gauge the desire to make the change.
3. Obtain and provide knowledge regarding the change.
4. Provide opportunities to implement new behaviours and skills.
5. Keep the change after making the change (Boca, 2013).

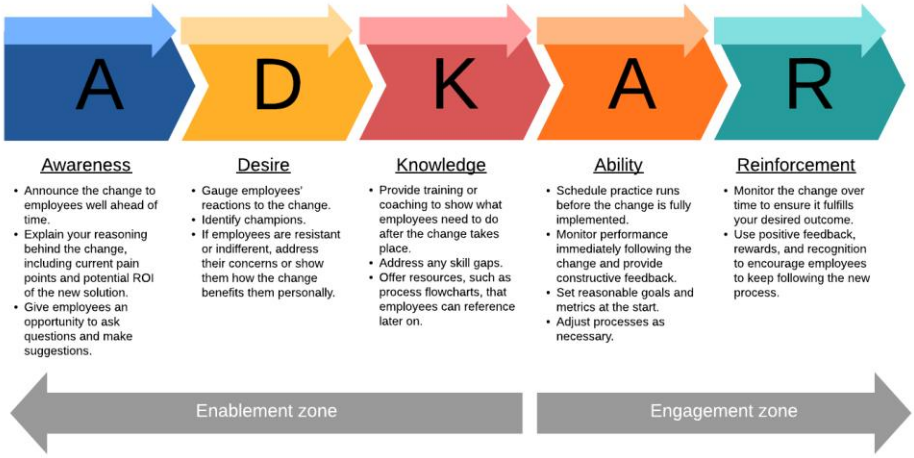


*Figure 4: ADKAR Model*

**5. Kübler-Ross' Change Curve Model**

The five behavioural stages of the Kübler-Ross change curve consist of denial, anger, bargaining, depression, and acceptance.

6. Stage 1: Denial

Employees can be shocked or in denial when a business announces change, as they may see possible future uncertainties, such as the fear of making mistakes or job insecurity.

7. Stage 2: Anger

Employees realize that they must take culture change seriously. In this phase, hostility may arise, and some employees may take out their anger on others or themselves. The situation must be properly monitored and controlled by the business to avoid a crisis mode.

- Stage 3: Negotiate

Employees may try to negotiate or look for alternatives to avoid going along with the change. Only employees who consider it important will want to acquire new skills and knowledge. A business' management has a key role to successfully implement the change by making the employees benefit from the training by learning as much as possible. Training takes a lot of time and energy for employees and therefore must occur appropriately. It is important that employees can adapt at the right pace and do not feel rushed to learn. Productivity in this phase decreases.

- Stage 4: Depression

The staff may feel anxious or sad and may give up hope and end up at a dead end. The realization that there is no way out of the change can manifest as a lack of interest in their work. For some employees, dealing with these feelings and factors can be challenging.

Morale and enthusiasm plummet. This phase is difficult and stressful for the staff, and the business should provide as much help and support as possible to avoid negative consequences.

- Stage 5: Acceptance

The importance of the change is understood and embraced, ambitions increase, and employees make positive progress. The employees who continue to resist become discouraged, which can lead to refuge (Eisenberg & Alahakone, 2016).

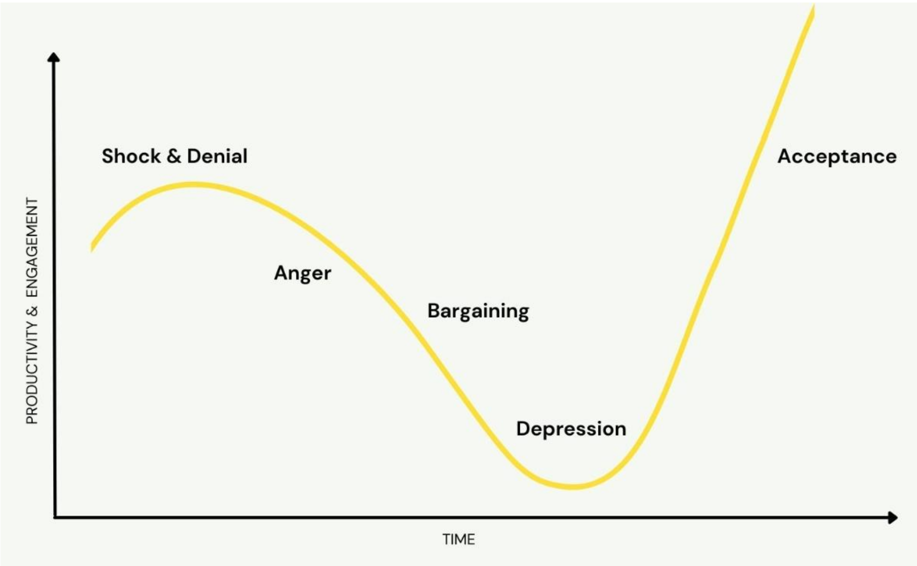


*Figure 5: Kübler-Ross' Change Curve Model*

### 6. PDCA (Plan Do Check Act)

The four parts of the PDCA cycle are *plan*, *do*, *check*, and *act*. *Planning* arises from a problem and its possible causes and solutions. *Doing* means executing the change. During *checking*, the results are monitored. *Action* means that if the results are satisfactory, then the change is sustainable, but if the results are not satisfactory, then a return to the planning phase is required. The cycle establishes standards and continuously changes them to prevent repeating errors (Moen & Norman, 2006).


*Figure 6: PDCA cycle*

### 7. Bridge's Transition Model

The phases that characterize Bridge's transition model are endings, a neutral zone, and new beginnings. Because people must go through the three phases separately, transitions take a long time.

- Endings: People are asked to change themselves and to let go of certain things. They must perform tasks differently from how they usually do, they must give up or change their personal preferences, and they must let go of their sense of identity or reality. Although people let go of their old habits, starting over is simply not an option.
- Neutral zone: Some people see a new situation as a challenge, while others see it as unnecessary and therefore an obstacle. Dealing with constant uncertainty and confusion costs people a lot of energy. This encourages businesses to get out of this phase. According to the model, the business must be in the neutral zone for a certain amount of time to experience a successful change. How long this period lasts depends on the type of change. In this phase the actual transformation occurs, and creativity and energy are found.
- New beginnings: Some people go through transitional phases, and some do not. Some people may be unable to let go of old habits, or they may be scared or confused or simply freeze at the idea of entering a new reality. This stage represents a new beginning, and it can make people question their sense of worth and competence and thus become anxious (Bridges & Mitchell, 2000).

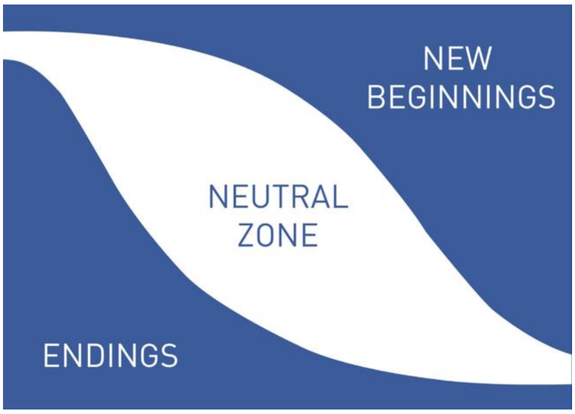

*Figure 7: Bridges Transition Model*

### 8. MSP (Managing Successful Programmes)

Managing Successful Programmes (MSP) is a framework designed to deliver complex programmes aligned with a business' long-term strategies. The framework has been developed to support changes within a business. The three main elements in the framework are principles, governance themes, and transformational flow.

1. Principles

The seven characteristics that form the basis of the framework are (a) stay aligned with business strategy, (b) lead change, (c) communicate and envision a better future through the change, (d) focus on the benefits and threats to the business, (e) add value through the change, (f) design and deliver cohesive capability through the change, and (g) learn from experience.

2. Governance Themes

The nine governance themes must be addressed over the course of the change process. This component provides insight for stakeholders and ensures the programme's ability to perform.

- Organization: The roles are described by the organization of MSP, this allows the programme and associated changes to be realized. The governance structure is implemented through a 'sponsoring group' and an appointed representative. In addition, the programme is managed daily by a 'programme council'.
- Vision: The sponsor group ensures that the agreed vision is adhered to. The vision provides focus for the team throughout the programme and process and emphasizes the improvement the programme must deliver. The long-term vision ensures that team members are focused and will change.
- Stakeholder engagement and leadership: The stakeholders must be identified and appropriately involved. This enables stakeholder involvement and participation. According to the framework, communication with stakeholders is important. In addition, the connection between stakeholder involvement and leadership must be ensured.
- Blueprint design and delivery: In the blueprint, the vision is translated into a concrete description of the capacity required to achieve the desired results. In addition, the authority of the programme manager is determined.
- Benefit realization management: Stakeholders measure the degree of improvement by the benefits of the programme. The programme delivers benefits management through many techniques and tools that make it possible to aid in the programme's benefit identification, realization, and measurement.
- Planning and control: The success of the programme depends on planning and control and should therefore be seen as a separate and complementary concept in the programme. During the process, a plan is developed that mainly consists of

assumptions and estimates. These will be assessed as the process progresses. Before a plan can be established, analyzes of large amounts of data must occur and subject matter experts and stakeholders will be consulted.

- Business case: The viability of the programme is assessed, and this determines whether the investment is justified. The information in this document is used to substantiate investment decisions by, among others, the sponsoring group. This document provides confidence that the investment is worth it.
- Risk and Problem Management: During the life of the programme, risks are identified and programmes are managed. Risks and problems are identified, managed, and possibly escalated. The risk process is applied to both opportunities with a positive impact and threats with a negative impact. Risks are categorized in terms of operational, programme, strategic, or project and offer the possibility to escalate risks to higher authorities.
- Quality: Quality management refers to meeting stakeholders' requirements and fulfilling their expectations. In addition, quality management offers the chance to experience the anticipated advantages.

3. Transformational Flow

The following six processes guide the programme management team through the programme:

- Identify a programme: The stakeholders have agreed upon the programme mandate and this agreement is elaborated into a comprehensive document with the aim of setting out the programme.
- Define a programme: Planning of the programme in detail is done during the definition. The vision statement must first be approved, the benefits must be validated, and the blueprint and the project file must be reviewed. Subsequently, a programme plan and business operations are developed through activities conducted by the supporting subject matter experts and programme board.
- Management of the instalments: Here the governance arrangements are implemented by the programme manager. The activities are aligned with the strategies and plans developed earlier in the process to define a programme.

- Delivering the power: Managing and coordinating the projects is the responsibility of the programme manager. For this, the process of the capabilities that deliver must be applied.
- Realize the benefits: The realization of the benefits leads to the identification of three activities: pre-transition management, transition management, and post-transition management.
- Exit the programme: Each programme must be managed consistently and completed with any follow-up support and actions to ensure benefits are sustainable within the business (Dolan, 2010).

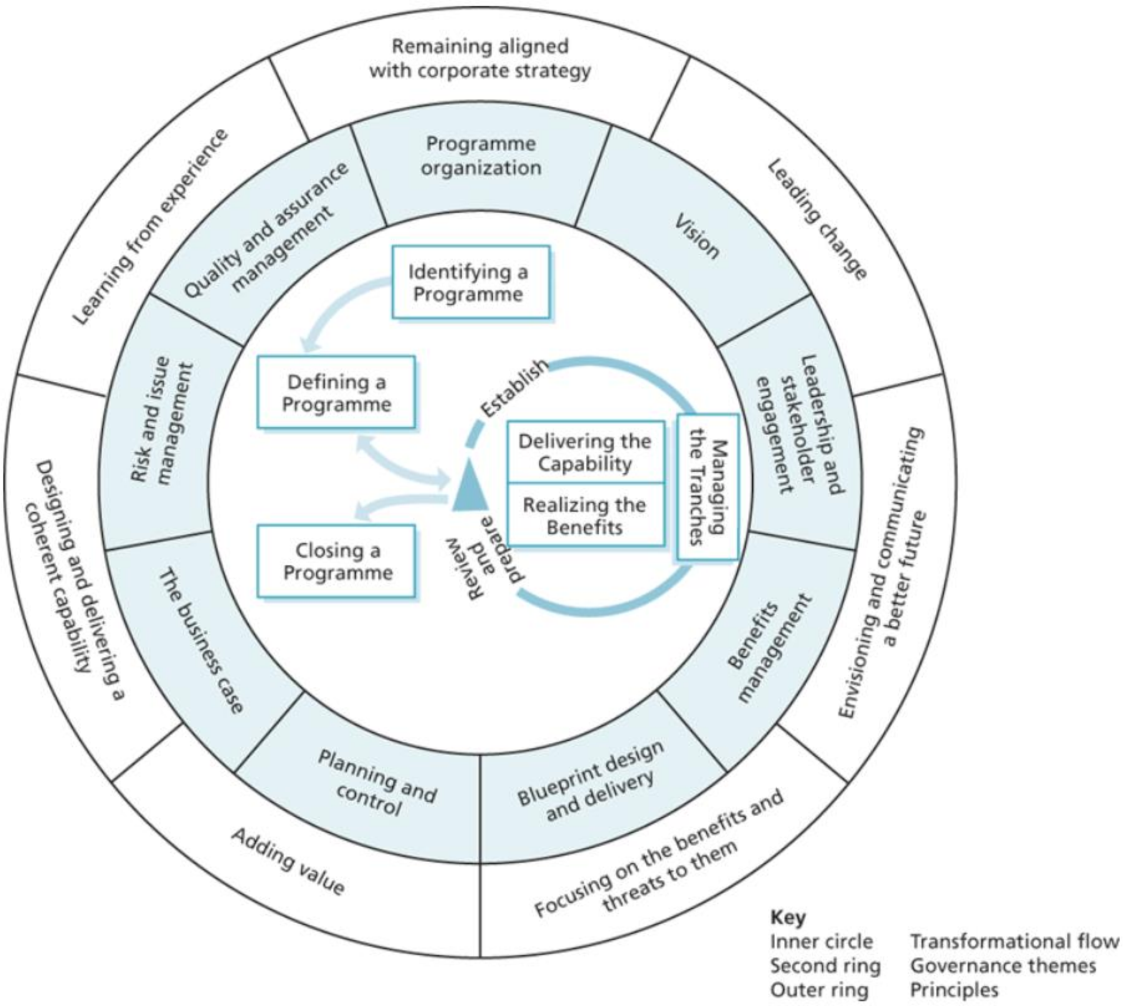


*Figure 8: MSP Framework*

## 9. PRINCE2

Some processes are executed more than once, so colours are used to make identifying the relationship between the processes easier to understand

- Blue items: Executed once in a project.
- Green items: Executed once for each phase.
- Orange items: Can be performed multiple times in a level.
- Dark red items: Can be performed multiple times in a stage, depending on certain project manager choices.

There are four levels of management according to the process model (Figure 9):

- Level 1: Corporate or Programme Management

Only the project mandate is created here.

- Level 2: Direction

The steering group is active here, they provide Level 1 with reports and link them to the management level.

- Level 3: Management

The project leader initiates projects and manages phases.

- Level 4: Delivery

Here the products of the project are produced. At this level, the products that the users of the project want are created. These products are the reason for starting the project. These products are also referred to as specialist products. All products created in these levels function only for managing the project.

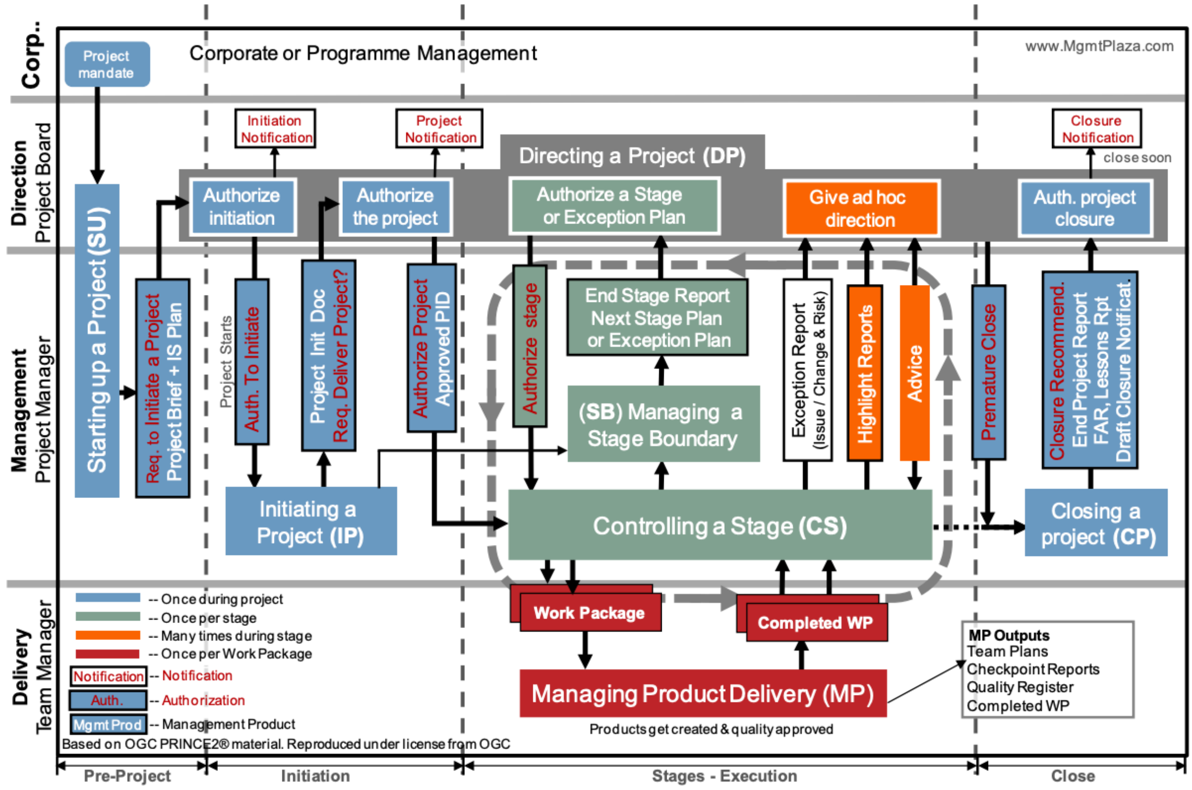


*Figure 9: Process Model Diagram*

The process model diagram provides a simplified representation of seven project processes. Directing a project (DP) allows for senior management to manage the project, while start a project (SU) is a pre-process to collect necessary data. Initiating a project (IP) examines the project justification and creates the project initiation documents. Controlling a stage (CS) monitors and controls project activity and managing a stage boundary (SB) completes one phase and plans the next. Finally, managing product delivery (MP) produces the products for users to use. The closing a project (CP) process confirms the delivery of the project's products and the project manager then prepares the project for closure (Turley, 2010).

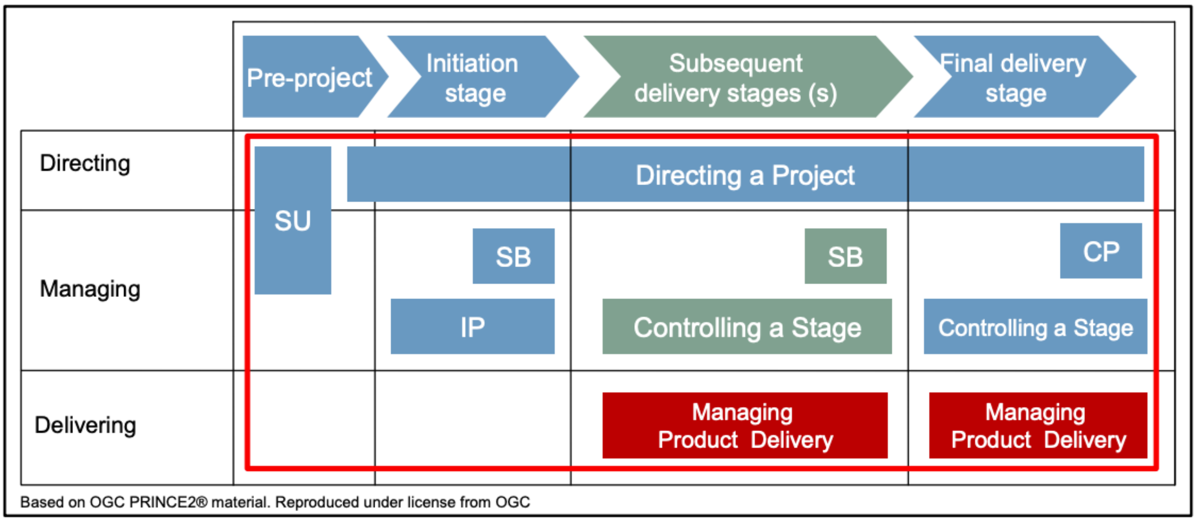


*Figure 10: Process Model: Processes*

### 10. SAFe 6.0 (Scaled Agile Framework)

SAFe is a framework that tries to apply methodologies to the entire business. The framework focuses on planning meetings, how to improve cooperation between the different teams and the 'programme increment' (PI).

The agile manifesto is the basis of this method and gives modern software project management methods the most important principles and values meaning:

- Individuals and collaboration are preferred over tools and processes.
- Working software is more important than extensive documentation.
- Customer cooperation is considered more important than contract negotiation.
- Responding to change is preferred to simply following a plan.

The three levels included in the SAFe framework are portfolio, programme, and team. In a 'release train', the team and programme level work together on the same value stream. Such a value stream must ultimately deliver value to businesses. The release train consists of the team that depend on each other to deliver the value. Traditional agile methods are used at the team level. Team meetings are organized as 'sprints' that occur every two weeks. The 'release planning meeting' occurs after every five sprints to achieve coordination between the teams. This release planning aims to promote a joint focus and commitment. In addition, this promotes communication and identifies and resolves potential problems and risks. These meetings lead to a common vision and promote motivation (Brenner & Wunder, 2015).

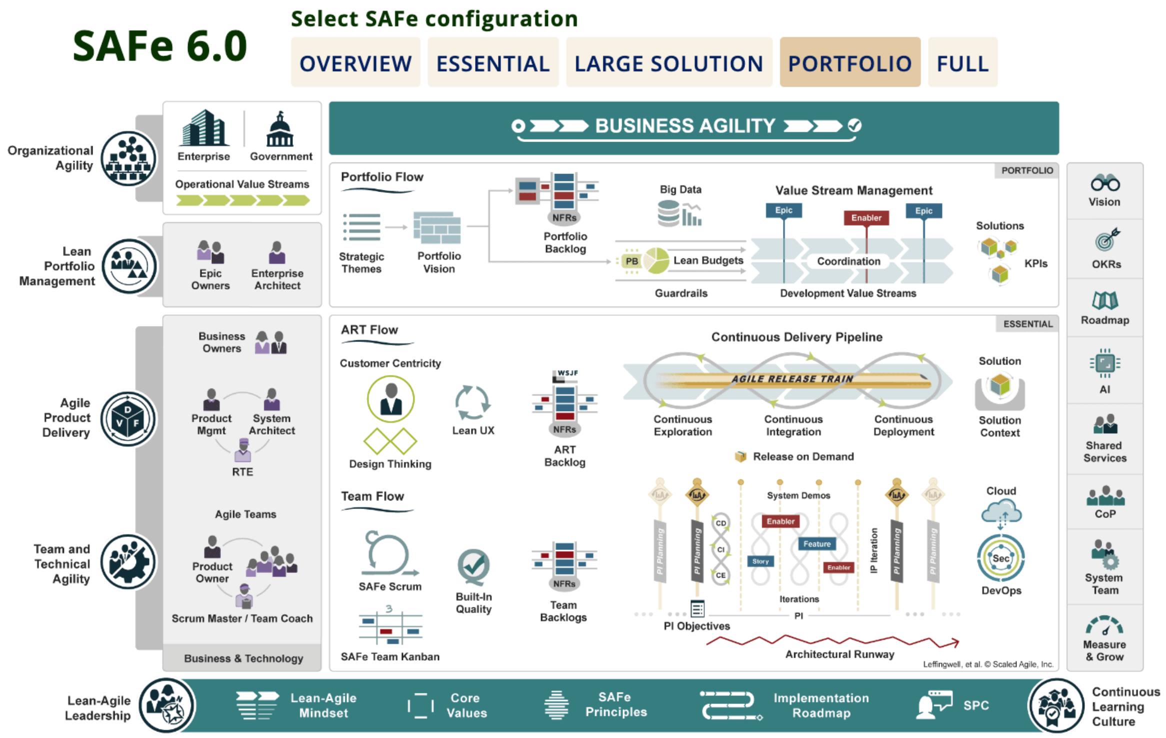


*Figure 11: SAFe 6.0*

### 2.1.2 Review

These models are only being used as basic knowledge input to develop a model specific to family businesses in the financial-services industry. There are many change-management models. Some models are simplistic and consists of few phases (e.g., Bridges Transition Model, PDCA, Lewin's Three Step Model, Kübler-Ross' Change Curve Model, ADKAR, McKinsey's 7-S Model and Kotter's 8-Step Model) and other models are more complex and consists of several layers with several phases (e.g., MSP, PRINCE2 and Safe 6.0). Although each model has different terms, the process for each are similar. The last three models (SAFe 6.0, PRINCE2 and MSP) are made for project management and therefore cannot be compared directly with the other change-management models. Although the last three models are project-management models, they are relevant because the business in question implements the change through a project-based approach. The phases that can be found in every change management model are creating the climate for change, engaging and enabling the organization and implementing and sustaining for change. The three project management models have the same or equivalent pillars: portfolio, programme, and team. The models also describe the various processes and components in these pillars.

There is a failure rate of about 70% of all change initiatives among businesses. However, digitalization is a requirement for businesses to succeed in today's competitive and rapidly evolving business environment (By, 2005). This low success rate may indicate a lack of a valid model or method for implementing and managing organisational change. Indeed, although there are many models, theories, and methods to implement organizational change, there are none suitable for every business to implement and to manage such change due to the differences in businesses and industries. To be able to develop a model, there is understanding needed about how a business process works. Hence, the following sub-question was proposed:

*"What does the business process look like and how does the business know in which phase the business is in?"*

## 2.2 Digitalization

According to Parida (2018), digitalization is caused by the 'fourth industrial revolution' and the internet and is an essential and disruptive force. How business processes and activities are entered and how they are thought about are changing due to digitalization. New business models are being invented and relationships between businesses, and customers are being reshaped in this increasingly digital world. Today, due to digitalization, there is a growing need for flexibility, agility, and the ability to act quickly to pursue opportunities among businesses across all industries. The importance of putting advanced technology at the centre of all products, services, and processes is emphasized by digitalization (Parida, 2018).

Digitalization is considered one of the most important trends changing business in both the short and long term. The trend brings changes within businesses as the adoption of digital technologies. According to the literature, *digitalization* or *digital transformation*, refers to "the changes associated with the application of digital technology in all aspects of human society". Digitalization is also known as the "ability to convert existing products or services into digital variants, thus offering advantages over tangible products" or "the adoption or increase in the use of digital or computer technology by an organization, industry, country, etc." (Parviainen et al., 2017).

### 2.2.1 Digitalization vs digitization

*Digitalization* and *digitization* are closely related conceptual terms, and these terms are often used interchangeably. It is important to know the difference between digitization and digitalization because this research concerns *digitalization*, to avoid confusion or incorrect conclusions.

According to Parviainen et al. (2017, p. 64), *digitization* refers to “the action or process of digitizing; the conversion of analogue data (especially, later use images, video and text) into digital form”. *Digitalization* or *digital transformation*, refers to “the changes associated with the application of digital technology in all aspects of human society” (Parviainen et al., 2017).

According to Brennen and Kreiss (2016), *digitization* refers to “the action or process of digitizing; the conversion of analogue data (especially, later use images, video and text) into digital form”. *Digitalization* refers to “the adoption or increase in use of digital or computer technology by an organization, industry, country, etc.” (Brennen & Kreiss, 2016, p. 1).

*Digitization* is “the transformation of some type of analogue or physical artifact into a digital artifact”. *Digitalization* is “the use of digital technologies and of data (digitized and natively digital) to create revenue, improve business, replace/transform business processes and create and environment for digital business, whereby digital information is at the core” (Schallmo & Williams, 2018).

### 2.2.2 Review

In this research, *based on the resources above (Parviainen et al., (2017), Brennen & Kreiss, (2016) and Schallmo & Williams, (2018)), digitalization* is defined as “the adoption or increase in the use of digital or computer technology by an organization in order to convert existing products or services into digital variants”.

Although family businesses represent most businesses globally, the specific opportunities and challenges facing family businesses in terms of digitalization have received little research attention. According to Batt et al. (2020), such research is necessary to gain more insight into modern family businesses. This research would make it easier to advise family businesses and guide them in managing digitization processes. As previous evidence suggests, there is some reluctance to embrace digitalization among family businesses. Therefore, there is a demand for more research on the specifics of digitalization in family businesses (Batt et al., 2020). The literature is still limited regarding the effect of the digitalization process in family businesses in the financial sector. To investigate this, the following sub-question was proposed:

*"What opportunities are created by digitalization and how can they be used?"*

## 2.3 Family business

According to Sharma et al. (1997, p. 2) a family business is "a business governed and/or managed on a sustainable, potentially cross-generational, basis to shape and perhaps pursue the formal or implicit vision of the business held by members of the same family or a small number of families." Later literature by Sharma (2004) notes that most definitions of family businesses revolve around the important role of family in determining the vision and controls implemented within a business and used to create unique resources and capabilities (Sharma, 2004).

### 2.3.1 Review

*Family business* in this research means, based on the resources above (Sharma et al., (1997) and Sharma, (2004)), "a business governed and/or managed by members of the same family or a small number of families and the important role of family within the business in terms of determining the vision and controls used in a business and creating unique resources and capabilities".

## 2.4 Stakeholders

This study examines the effects of a change process on many stakeholders. It is therefore important to know what stakeholders mean and entail. As mentioned by Savage et al. (1991), organizational strategists today need to think about how to manage stakeholders. Stakeholders are those individuals, groups and other businesses that have an interest in the actions of a certain business in any way and can influence them. A distinction is made between primary and secondary stakeholders. *Primary stakeholders* are those who have relationships in a contractual, formal, or official form with the business and who have a direct and necessary economic impact on the business. *Secondary stakeholders* include those who are not directly involved in the business' economic activities but who can influence or be influenced by the business. One of the most important tasks of leaders is to continuously assess the interests, needs and capabilities of the stakeholders and keep them satisfied. The most important stakeholders to be satisfied are the stakeholders who will influence the business the most. Next, the stakeholders' potential to threaten the business and the stakeholders' potential to cooperate with the business must be determined by the organization's executives. The factors that determine the ability, willingness, and ability of the stakeholder to threaten or cooperate with the business and thus must be considered by managers are relative power, salient specific issues, other stakeholders and the specific context and history of the business' relationships.

Businesses must support stakeholders, fringe stakeholders must be monitored, and the business must defend against non-supporting stakeholders and work with stakeholders with mixed interests. Managers should try to turn their business' less favourable relationship with stakeholders into a more favourable one. It is important for the future of the business that companies set goals for their relationships with current and potential stakeholders as part of a long-term strategic management process. However, while setting these objectives, the potential impact of stakeholders on the business' strategies should be considered. By focusing on key stakeholder threats and collaborative potential, executives can avoid implementing plans that stakeholders will resist, recognize their emerging needs, modify plans to involve it, and circumvent the problems associated with a business overwhelmed by stakeholders (Savage et al., 1991).

As mentioned by Voinov et al. (2016), more and more involvement is demanded by stakeholders of a business. For example, they want to be involved in planning and making decisions that affect themselves or their communities. According to Wheeler and Silanpää (1998), businesses, like all other established institutions and governments, should listen to their stakeholders, especially regarding their values and beliefs. The main stakeholders to be heard are customers, employees, and investors. It is important that businesses respond positively to this; if they do not, their competitive position will decline, possibly leading to the business' eventual demise.

A *stakeholder* refers to "any person or group that retains an interest in an organization in the manner in which a shareholder owns shares" and the definition of a stakeholder is "individuals or groups who have an interest or some aspect of rights or property in the project, can contribute to the form of knowledge or support, or can influence or be influenced by the project" (McGrath & Whitty, 2017).

### 2.4.1 Review

Stakeholders are based on the resources above (McGrath & Whitty, (2017) and Savage et al., (1991), “the individuals, groups and other organizations that have an interest in an organization’s actions and the ability to influence them”. In this research, both the top and middle management and the employees are examined.

As mentioned by Schouten et al. (2018), little attention has been paid to how change recipients understand and interpret the process of identifying the issues that motivate organizational change, let alone how businesses identify possible solutions. Therefore, it is important to pay attention to employees and other stakeholders to balance the richness and complexity of change. In addition, it is important to also pay attention to the issue of acceptance of change at the top- and middle-management levels, as this has received little attention so far. Therefore, the following sub-question was proposed:

*“How are the stakeholders of family businesses affected by digitalization?”*

# 3. Method

## 3.1 Design

The aim of this research was to provide a method suitable for implementing organizational changes – specifically digitalization – in family businesses in the financial-services sector.  Sub-questions 1–3 were suggested to be researched using a qualitative field-research approach. The study will encompass semi-structured interviews (Appendix A) among the top and middle management and employees, to collect qualitative data on the process of digitalization at a family business in the financial services.

Qualitative methods of data collection and, in particular, interviews were used during the research. Qualitative research methods focus on the experience of the person, in contrast to quantitative research methods, which focus on collecting numerical data. In qualitative methods, the researcher conducts research in the field. The researcher is interested in the significance of the persons (the research units) in the environment. An experience is then regarded as part of the world of experience of the persons, and not as an isolated fact, and is therefore interpretive. Qualitative research emphasises the meaning that the researcher gives to a situation from their own background (Verhoeven & Verhoeven, 2018).

In qualitative research, data collection is open and flexible; therefore, the researcher can respond to unexpected situations. The researcher does not convert the data into numbers but instead processes it in everyday language. In this approach, language is the instrument of qualitative research methods. Some researchers believe that qualitative research results are less reliable and precise than those of quantitative research. Other researchers believe that numbers do not provide enough depth; they prefer research methods that also involve people's stories being listened to (Verhoeven & Verhoeven, 2018).

Researchers who conduct qualitative research often use inductive methods. In inductive research, no theory is known in advance; the aim of the researcher is to gradually develop a theory. The researcher makes statements based on observations (data) and works from the collected data to form the theory. Inductive research is therefore theory-forming. Repetition is a guiding principle, as it leads to higher-quality results (Verhoeven & Verhoeven, 2018).

## 3.2 Data collection

To collect qualitative data, a case study was conducted, and 12 interviews were conducted. On average, each interview lasted 45 minutes, with the duration ranging from 30 to 60 minutes. The participants of the interviews represented top management, middle management, and employees (Table 1). All participants were involved in the change process or an equivalent change process within the organization. In consultation with the business, it was decided that these participants represented a good mix of people involved in the change process within the organization.

The semi-structured interviews provided insights about the process and the effects of digitalization on the different stakeholders. The purpose of the interview questions was to learn more about the participants' perspectives and experiences regarding the change that would occur with the researched business. The unprocessed data obtained from the interviews were stored as voice recordings of the interviews. The interviews were conducted in Dutch and then translated into English by the researcher, who is a native speaker of Dutch and speaks good English.

| Participant | Position | Years/months of experience in current position | Department |
|---|---|---|---|
| TM1 | Managing Director | 1.5 years | Management |
| TM2 | Director Specials | 8 years | Management/Specials |
| M1 | Manager Specials | 7 months | Specials |
| M2 | Portfolio Manager | 1 year | Portfolio Management |
| M3 | Manager Business, Innovation & Architecture | 8 months | Staff |
| M4 | Manager IT | 2.5 years | IT |
| M5 | Manager Business Intelligence | 1 year | Business Intelligence |
| E1 | Product Owner | 4 years | Specials |

| | | | |
|---|---|---|---|
| E2 | Marketing & Communication Specialist | 1 year | Specials |
| E3 | Project Leader Digital Fit | 2 years | HR |
| E4 | Advisor Specials | 4.5 years | Specials |
| E5 | Advisor Specials | 1 year and 4 months | Specials |
| TM = Top Manager M = Manager E = Employee | | | |

*Table 1: Participants*

## 3.3 Research instrument

For this research, semi-structured interviews were chosen as the main research instrument with the focus on collecting qualitative primary data. In an interview, the experience of the interviewee(s) is paramount. Semi-structured interviews use both open and structured questions. In a semi-structured interview, the questions and answers are not fixed in advance, but the topics are. Often, this type of interview starts with structured questions about personal data, such as age and education. The interviewer sets many topics for the interview, which are explored in depth by an initial open question and then further questions. Often, the researcher has established a logical order for the subjects. However, the researcher is free to change the order of the topics if doing so suits the researcher better in the conversation. Nevertheless, all topics must be covered (Reulink & Lindeman, 2005).

The qualitative data acquired by the interviews were the foundation for all three sub-questions.  Qualitative primary data was gathered and used to find a model to implement digitalization and organizational change in a family business in the financial services industry. First, a questionnaire was sent to the participants with a few general introductory questions, as was the consent form. Once the consent form was signed, the interviews were performed.

## 3.4 Data analysis

Once the qualitative primary data was collected, the data had to be prepared before it could be analyzed. After the interview material was transcribed and coded, Gioia’s grounded theory model was applied for analysis. The Gioia Method finds a methodical examination of themes and patterns in the data associated with common experiences and perceptions.

The work of Gioia et al. (2012) focuses on introducing a qualitative methodology capable of assembling previously collected data into an organized form as well as molding new ideas or grounded theories by incorporating three interdependent categories. First-order concepts are created with corresponds closely to respondents' word choices or answers leading up to an extensive set of preliminary categories. Second-order analysis looks for similarities or differences among these numerous classes while aiming to develop coherence among classes reducing them ideally between 25–30 items, without losing crucial information already established using topics preferred by or credited through participants and, if necessary, linking related concepts together along structured lines. The researcher then investigates hidden structures within these terms analyzing whether themes can be identified concerning the phenomenon under study. When theoretical 'saturation' occurs and easily comprehensible concepts and resulting themes are obtained, researchers derive overarching dimensions from emergent second-order themes, and subsequent third-order categories representing grouped first-order concepts (and aggregated second-order dimensions) assemble a structural framework together to present research finding. Although the Gioia Method outlines rigorous steps for structure data, it does not offer explicit details regarding the actual data analysis techniques used; hence researchers apply thematic analyses to describe this process further (Gioia et al., 2012).

### 3.5 Reliability and validity

The comprehensive study of the impacts and process of digitalization guaranteed the content validity. All possible stakeholders (top and middle management and employees) were involved in the research through a previous introductory questionnaire and interviews so that all possible aspects were considered. This allowed for a conclusion that was as complete and clear as possible. By examining the experiences and perceptions of the various stakeholders, the process and its effects within the family business in the financial-services sector could be investigated. Furthermore, construct validity was ensured using the Gioia Method.

The reliability of the research was guaranteed by a consistent approach to the interviews, whereby the content was composed in such a way that it properly reflected the research objectives. All participants were involved in the research through the interviews.

### 3.6 Ethical considerations

To ensure dignity, wellbeing and rights of the participants, research ethics were considered. The foremost factors in ensuring the ethics of this research were consent, confidentially, privacy, and fair and unbiased research. The research and interviews occurred in a secure physical or digital environment. Prior to the interviews, a short questionnaire was sent out containing general introduction question such as age, gender, position, etc. In addition, the questionnaire offered the possibility to grant permission for participation in the interviews by signing the consent form. The consent form contained information about the use and storage of the data from the interviews. The person could not participate without consenting. Everyone's choice was respected. The results of the research were anonymized and the results were not traceable to the participants. In addition, the research would not be shared outside the business in question or the University of Twente without the consent of both. Data management and security were crucial, as evidenced by the conduction of the research which were digital and physical. Because the interviews were conducted with people outside the university, permission was requested and granted by the ethics committee of the University of Twente to perform the research.

# 4. Results

This research aimed to provide a model suitable for implementing organizational changes and specifically digitalization at family businesses in the financial-services sector. To answer this research question, the results are structured by first analysing the organisation's current business process, then analysing how the stakeholders would be affected by digitalization and then determining what the benefits of digitalization would be and how digitalization could be implemented. To further illustrate the results, Figures 12–19 show the different data structures, according to the Gioia Method.

## 4.1 What does the business process look like and how does the business know in which phase the business is in?

Interviews were used to investigate what the organization's business process looked like and how the business knew in which phase the organization was. This resulted in points of attention and strengths of the business process and the process also indicated how the business knew which phase it was in.

### 4.1.1 The points of attention

The points of attention were as follows: more time for preparation, making choices, deadline/time planning, capacity, dependency, communication (towards the organization), training and coaching opportunities, bringing people along, resistance after implementation and further development.

**More preparation time.** Several participants mentioned that more time was needed for preparation, as the scope of the change process kept increasing, causing delivery dates to be missed. This could have been prevented by taking more time for preparation and by having a clear and thorough understanding of the options. In this way, choices could have been made in advance, and the scope prior to the change process would have been clear and concrete. As one employee emphasized, *"I would have made the timeline a little more realistic, and I would have taken the lead-up to it more broadly. This means that you have thought things through a little more in advance. Now, we are in the middle of the process and we still have to discuss it and think it over."* In addition, one manager noted that *"More time should have been spent describing what the organization wanted and people should have been included* *in that."* Correspondingly, a top manager said that *"In the beginning, the current processes were described, and we also described two main processes in the desired situation. But if I could do this again, I would have freed up even more time to describe the desired processes. And I will recommend that to everyone, because it makes it easier to make choices, and make choices faster and dare to make choices."*

**Decision-making.** Several participants talked about indecisiveness and procrastination. For example, one employee stated that *"There were internal shifts at management level, including a generational transfer. As a result, certain decisions could not be made or had to be postponed. This was reflected in a lot of procrastination, the reason being that time had to be taken for this and that it still needed to be carefully considered."* Another employee noted that *"Until a few years ago, there was still an outdated, aging management team who did not fully understand what the world was changing very quickly and therefore had a bit of indecisiveness."* Following this, a manager pointed out that *"At the management level, the decision should have been made more quickly whether or not to do it. But we thought about this for a long time, about whether we want it or not. And when we decided, it all had to happen very quickly."* In addition, according to a manager, the organization should have recognized earlier that the change was necessary and choices should have been made more quickly. Furthermore, according to another manager, not enough choices were made, which resulted in *"Doing a lot of projects at the same time, which just doesn't work. We have to say no to new projects more often or put them aside for a while."*

**Deadline/time schedule.** In addition, all participants except one manager and one top manager underlined their concerns regarding the deadline and schedule. According to the participants, too much was done at the same time and the scope was constantly being increased, making the deadline unrealistic. According to an employee, this was because *"The end date that was set by higher authorities had to remain. But if the scope is constantly changing, this is not possible."* Another employee stated that "*Time was the biggest challenge because there is an important deadline imposed, and everything is done at the same time."* According to another employee, time was the biggest concern because *"The change demanded a lot from the business, in terms of the IT department and all the people involved, in terms of meetings that had to be scheduled, and in terms of outside partners."* Several participants also stated that the organization had first set a deadline and that the planning then was made based on the deadline. As a result, both the deadline and the planning were in danger of not being met. This manager made it clear that *"Don't call first an end date before the requirements are known, but just take it step by step. Don't first give a date and then think about how the business wants it to be. Put simply, the deadline is simply not achievable."* In addition, several managers noted that the planning was jeopardized partly due to dependencies. According to one manager, this was because *"Dependencies were built in by having sub-projects fall under multiple programmes."* Another manager said that *"There is tension regarding the change due to various dependencies. With the current scope, the deadline is not realistic, but within the business there is a tendency to not move the end date when something is overdue."* Furthermore, an employee reported that there was little confidence in making the deadline because *"In the corridors, the department itself and the employees say they have a hard time meeting the deadline. I also have my reservations about this because other things that were once planned here were never actually delivered within the timeframes."*

**Capacity.** Several participants expressed concerns about different capacities. For example, several participants expressed doubts about the capacity of ICT, as emphasized by one employee and manager: *"The systems demand a lot from ICT, and I know that this has been somewhat limited in recent years."* and *"After the change, the systems must be managed and maintained. And I still see challenges there because we are going to introduce new techniques and technologies. We have this done by an external party and capacity at ICT does not leave much to be desired; there is absolutely no overcapacity."* Furthermore, an employee expressed personal doubts about the capacity of the director and manager of specials, indicating that *"You notice that the director and manager have not been in this profession for a while but that they have to make decisions, while, in other areas, we as advisors may have more knowledge of the market now. If you are really talking about detailed work, they may not see what the customer really needs."* Another manager also claimed that certain competencies are missing: *"I think that competencies are missing left and right. The passion is good, but certain people are lacking competencies, both in the project group and the organization."* In addition, some participants indicated that too much was placed on certain people relative to the resources available to them. A manager said that *"Capacity is now being hired externally, but you still need internal people who guide and inform external people. These external parties are new here, and they start asking all kinds of questions about processes, technology, and etc. And since we have not been very strong in* *describing and recording our processes and work instructions, it is difficult to properly help getting an external party going for that change, which will put pressure on the current staffing. As a result, the biggest concern is internal staffing; people just have to do it beside their job with all the normal work continuing as usual."* and a top manager said that *"I think the main problem is the availability of resources, because too much is placed on someone within the possibilities that person has. We ask for more than the available resources. We will either have to settle for less and do fewer projects at the same time, or we will have to make more resources available."* In addition, several participants reported that the business had to hire externally to make up for the shortcomings of internal staffing, including a manager who stated that *"External partners, who are experts in certain areas, should be attracted. This may be financially more expensive, but then it is better secured, and expectations can also be set differently. Just look for good partners for the future."*

**Dependency.** However, by hiring external parties, dependencies were built in, and these were described by several participants as potentially problematic for various reasons. For example, an employee indicated that *"We have three different partners on whom we depend, and everyone produces their own planning. There are quite a few dependencies, because one depends on the other before you can continue."* A manager mentioned the internal and external dependencies: *“Because the business is going to be digitalized from front to back, internal collaboration between the departments and external suppliers must be good because everyone is dependent on each other everywhere."* A top manager noted that dependencies were also built in by having different sub-projects fall under different programmes: *“There are a number of projects and programmes running, and they all communicate with each other. There are a lot of dependencies. But there are also major dependencies in that when one project has started, the other must also continue, and that must be coordinated."*

**Communication towards organization.** The next point of attention that was mentioned was communication towards the organization. People outside the project group and management indicated that they had received little or no information about the change process. In addition, two participants indicated that they had very little involvement in the change process. As a result, the participants were not kept informed, although both participants indicated that they would have appreciated this. Furthermore, several participants stated that it was important that the organization communicated the change process, for people that they knew what the change would entail and what it would mean for them. For example, an employee indicated that he had not been aware of the goals. And another employee stated that certain questions about the process could not be answered by the business: *"I asked the project manager questions about who should be trained for what, but he could not even answer those questions. While here he ensures that everything runs smoothly and is sailing as it should. I think there is still some concrete interpretation missing at that level."* In addition, there were uncertainties regarding the change process. According to an employee, *"I lack communication regarding the scope. What is within the scope? What timetable are we talking about? What do we expect from the people?"* and according to a top manager, *"I understand that the goals of the project are not always clear. I think such things just happen in an organization. However, it is up to us to minimize those signals. This will have to be done by communicating well. I think that for people outside the organization and outside the department, the communication in terms of what we are all planning and what that means, that that communication can be improved."* In addition, an employee and several managers emphasized the importance of communication towards the organization. For example, the employee indicated that *"I especially think that communication during the project and what has been delivered and how it stands is very important to include people in the whole process."* One manager indicated that *"Precisely because specials is an important part of the group, the people who are further away from it must be approached and reached. What we do here also has positive consequences for that person or for us towards the future. You have to continuously make yourself heard, and there is still a gain for us."* and another manager stated that *"If you ask me, where are they at this point and what are they doing? I have no idea. I notice that if I want to know something, it has to come from my initiative to ask. It is quite an extensive programme, and a lot of investment is being made in it, and rightly so. But I do think it is important that we involve people more in order to achieve unity."*

**Training and coaching opportunities.** Furthermore, the training and coaching options within the organization were also an area for improvement. In terms of training, the business offers many options, but this still had to be developed specifically for this change. Proper education and training of people was considered very important by the participants for the change process to be successful. An employee emphasized the importance of good training by indicating that *"It would be good, because we will soon have to work with new systems,* *that they would be properly trained before we start using them."* Nevertheless, several participants indicated that the training still needed to be developed for this change process. For example, a manager indicated that it is still too early for that. Another manager said, *"We can't even start now, because there is nothing available yet for them to train or practice on. We have now started to give shape to that."* and a top manager stated that the business needed to be *"really hardcore about which training for whom"* and that they needed to *'discuss that with each other. That is something in which we still have to set up the organization in order to then be able to carry it out. We do hope that we will be able to offer it."* In addition, a manager missed people-oriented coaching and attention to the people side: *"I believe that a team leader should not coach, because a team leader has a business character, and his goal is to keep you profitable and employable. And with a coach, you look at, who am I? And there is more of an energetic and emotional side to it. And we have no coaches within the business who do that. And as far as I know, no external coaches are hired for that. Your team leader looks at what you can do and what do you want, but there is a third component, and that is who are you? You have to keep these three together. And we use the CPO model here – competencies, passion, and what are the needs of the organization – but I miss one component, and that is who is the person? Because otherwise, someone will sail full of energy without a course and without a compass, and then you will end up in a burnout. So more attention should be paid to that."*

**Include people.** In addition, several participants indicated that unity and attention to the people side had to be created for the digital transformation to succeed. This had to be done by bringing people along with the change. According to a manager, the people side of the change was underexposed: *"We call it digital transformation, but 80% is actually culture change. And the culture change is the biggest change and more attention could be paid to it. My personal opinion is that change management is underexposed within the process. But I think you have to take the time to introduce people to the different way of working, doing and corresponding with each other. You have to take people very carefully into why we are doing this. Where are we going? What does this mean? What are the threats and what are the opportunities? The whole change side of people is underexposed, because what I say 80% of change is just the people side and culture change."* Another manager noted that the people who were not involved in the project group were not included in the change, *"I notice that if I want to know something, it has to come from my initiative to ask for it. I think we can* *do more about that internally."* A manager and top manager underlined the importance of involving people in the change. According to the manager, this was important because *"It is an extensive programme and a lot of investment is being made in it, and rightly so. But I think it is important that we involve people more. I think it is good that you involve people in what is going on and what is happening."* According to the top manager, this was important because *"The most important thing in the digital transformation is on the people side. How do you get colleagues on board with the entire digital transformation? And involve people in the change at an early stage; in that way, you don't tell people that they just have a new system but take them along in the meantime."*

**Resistance (during and after implementation).** During the development phase there was little to no resistance to the change. But it was expected that there might still be resistance during the implementation of the change because people naturally do not like change. That is why this is also a point of attention. There are several reasons why resistance could arise during and after implementation. The first reasons were mentioned by employees were *"Disappointments in dependencies – you will encounter resistance there. Because we work with multiple parties who all need things from each other at a given time and not every planning is exactly the same." "There is a feeling that we have been doing it this way for years and it works fine, so why does it have to change? And that is even at management level."* According to another employee, *"Change causes fear because people start thinking about what will it look like in the future. Will I still have a job? But also how will I do my work in the future? Will I still like it? That creates fear of change."* Furthermore, several managers and a top manager mentioned several more reasons, for example, the managers mentioned *"The fact that the focus has to be fully on specials at once is a bit of a switch for some people because you don't have to do or can't do things and you have to make choices. That does lead to resistance."* and *"Stress, because employees think that the first of October is still quite hard. And we don't know exactly what we have to build, but they are expected to be ready by then and that causes stress. And if you as an employee experience that there is nothing done to it, then you become resistant."* and the top manager indicated that *"People are anxious – "do I have sufficient competencies and can I do this"? You see those symptoms within the organization. But the Knoster model gives a very good indication of where the resistance comes from."*

**Further development.** Finally, the last point of attention was further development. Most change models and processes stop at implementation, while several participants indicated that it is extremely important to continue developing. The importance of maintenance, management, improvement, and further development was emphasized by several participants. For example, an employee stated that the business had to continue developing to prevent the organization from following the same path in the coming years. Moreover, a manager indicated that there had been too little development in recent years: *"We are now thinking of something, and you actually have to start thinking again about how are we going to do it again? Precisely because you have experienced that in recent years that was too little, that the focus was not there, which made you stand still."* In addition, other managers noted that *"As a business, we must show that there is aftercare and that continuous improvements are possible in order to keep people motivated." "There simply must be a maintenance team that will continue the management and maintenance and must also set up a structure for this to whom you can then submit your wishes or changes."* A top manager then underlined the importance of the next dot on the horizon: *"It is important that, once everyone has mastered it again, that you then have the next dot on the horizon: where do we go working together towards then?"*

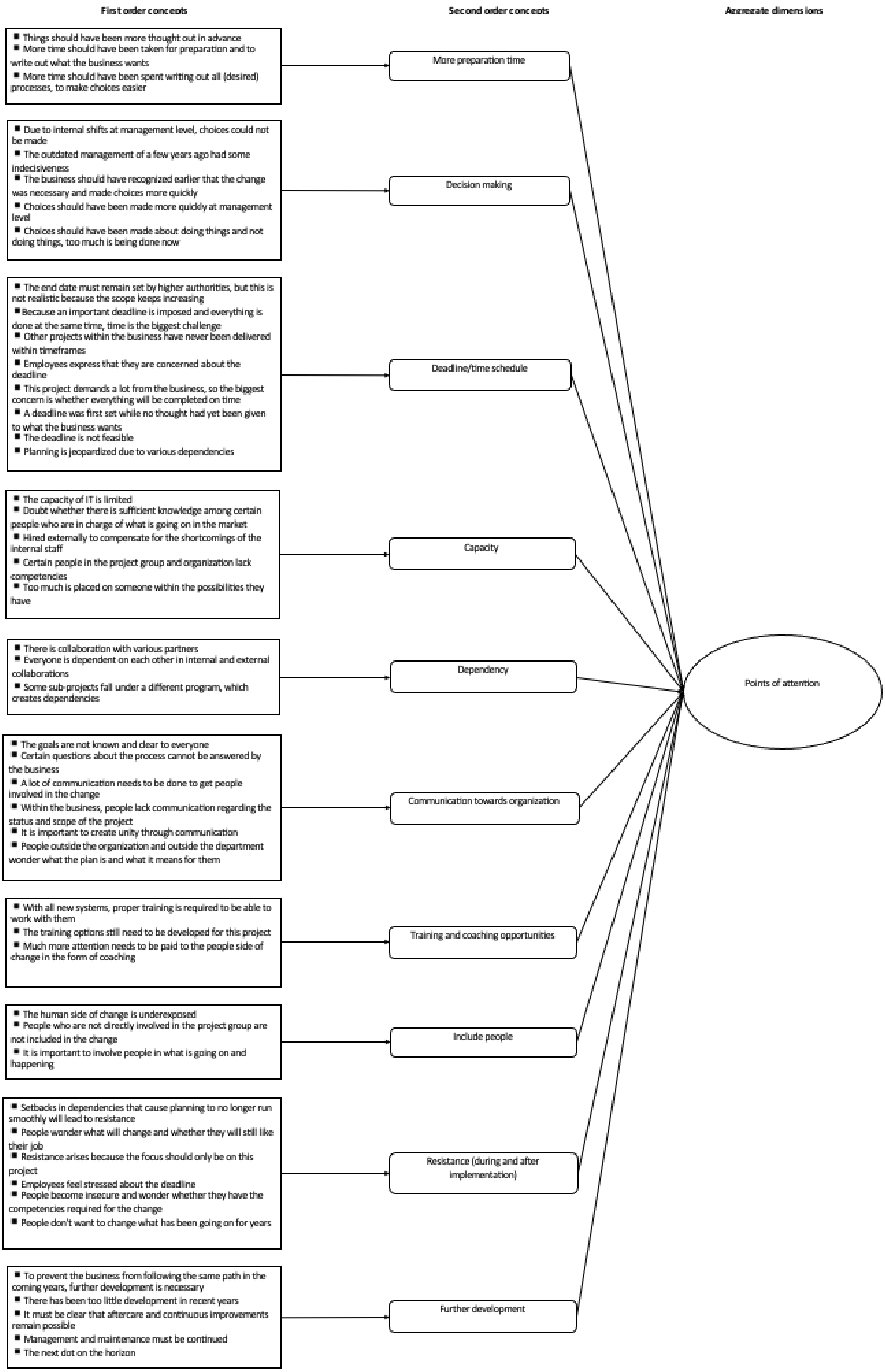


*Figure 12: Data structure for the points of attention of the business process*

### 4.1.2 The strengths

The strengths concern: necessity/urgency, resistance during the development phase, the ability to express concerns and doubts and provide feedback, right people and tools, right systems, right talent, involvement, positive attitude, and measuring performance and progress.

**Necessity/urgency.** Within the organization, the urgency and necessity of the change was known to all participants. It was the case that the employees and managers convinced the organization to make the change. Several employees saw the need for maintenance of the system: *"Particularly overdue maintenance. I came here, and I cannot fully do my job because the systems are not functioning. We do need to change."* This need became clear because the business is lagging behind the market and competition, according to the participants. This was evident from the following responses from employees: *"We are about five or ten years behind of everything that is possible. That seems to me to be sufficient motivation to work on it."* and *"It should have happened five years ago. It's all still a bit overdue considering how quickly everything around you is changing. This took a long time to finally start."* In addition, the business saw its market share level off, which was mentioned by the following employees as another reason: *"Specials has been at the forefront in market share for a long time. Now we see that this is levelling off, and we want to tap into new markets, and that is what this process has resulted in."* That is why the business had to move along with the market, as stated by several participants, including a manager: *"On the inside, there is a need to continue developing, to improve, to also keep up with the market and keep up with competitors. And we also see that consumers behave differently. We have to move into the future."* As a result, investments had to be made in digitalization to win the competitive battle, according to an employee: *"The market is ahead of us. If we want to win the competitive battle, we need to invest in digitalization. It is necessary."* Another employee pointed out that *"Digitalization is the biggest challenge. If we don't do it now, we will lose compared to the competition. Because we really see that we are lagging behind in terms of digitalization."* Furthermore, an employee, manager, and top manager stated that the investment in digitalization was necessary for the business to maintain its right to exist. For example, the employee described that *"We have indicated quite often that the change is necessary to maintain the right to exist for a number of years. The urgency is very high.";* the manager indicated that *"In order to survive and be able to keep up, in order to continue to* *operate independently, we must work more efficiently. And working more efficiently means that processes that can be automated, where a human is no longer involved, must be automated and digitalized. If you do not do that, then you are at the mercy of the lions."* and the top manager stated that *"The motivation was that the systems were shaky. We could not do more time to market and people were dissatisfied. We also see that we were always at the forefront of the market with innovation, but that competitors were approaching us or had almost caught up. We saw that we were no longer growing as fast as the market."*

**Resistance during the development process.** Partly because the urgency was so strong within the organization, there was little or no resistance to the change during the development phase. Accordingly, several employees indicated that *"Resistance in this process still feels very low so far, because everyone is ready for the change on all fronts."* and *"The acceptance that things need to change has been here for several years. And that makes this process very clear in terms of change management, because everyone really wants it."* Furthermore, an employee and manager emphasized that there was little to no resistance during the development phase: *"I think there is really zero resistance. I think everyone just really wants it."* and *"No, I don't experience that – not with myself and not with my team members. They want to. I don't sense that resistance."*

**The opportunity to express concerns and doubts and provide feedback.** Furthermore, the participants experienced that they could express any concerns and doubts and provide feedback and that the organization actually did something about it. For example, according to an employee, there was a 'steering group' meeting every week, and according to the participants, the organization was very much committed to open communication. An employee confirmed this because *"The corporate culture here is such that everyone is allowed to speak to each other and give positive feedback on what is or is not going well."* A manager emphasized that *"It is a very accessible organization; you can approach anyone and walk in, and there is always an ear, and they really listen."* They also held each other accountable in the organization and everyone was open to each other's opinions, according to the managers: *"There is a very open atmosphere of involvement, and if there are concerns, they are also expressed. We do have an eye for each other."* and *"It is very nice within this business and also within specials that everyone is open to other people's opinions, vision, and view of the whole."* In addition, people listened, asked questions, and took action, as stated by a manager: *"If I give feedback from my own field, it is listened to and then something is done with it. And then questions are also asked."*

**Involvement.** Almost all participants also experienced a high level of involvement in the change. 10 of the 12 interviewees were involved in the project group from the start. The need to be involved was great, as was evident from the interviews with the following statements of employees: *"I just wanted to be involved and stay involved. And that made me happy that it started and that I was or am involved. "* and *"I really felt the need at one point to be involved and then I got involved."* Furthermore, the level of involvement was experienced as pleasant by the participants: one employee stated, *"I like the involvement."* and a manager stated that *"I think we have very committed and enthusiastic employees in the projects."*

**Right people and tools.** Furthermore, the participants indicated that they had confidence in the people involved, tools, systems, and talent that the organization had regarding the change process. An employee stated that they had access to the necessary tools. Furthermore, regarding digitalization, there were all kinds of resources and experts who had sufficient information and could provide the right tools, as indicated by the following statements from managers: *"We of course have all kinds of resources and experts here internally in digitalization who know something about everything and who also can provide the right tools."* and *"We gained external knowledge for the knowledge we did not have."* Moreover, the right people were in the right places, there were good external partners, and the people involved were capable, as claimed an employee and managers: *"I notice in the meetings we have that there is someone from every department, and when I am present, there are good people from all departments."; "I think we have the right people in the right places and that we also have good external partners."* and *"I think the people on the project team are capable of doing this. I have confidence in that. I do have confidence in the people sitting here, that they can do it."*

**Right systems.** As for the systems, they had been thought about for a long time and those systems were coming, as one employee noted that *"The systems are coming. And those are the right systems, and a lot of thought has been given to them – only, they are not here yet."* As a manager made clear, the systems had been carefully considered through a selection process: *"There has been a preliminary study of what are the best and class systems that we can use for the future. We did not have the CRM system; we used ANVA instead.*

*There has been a selection process to determine what is the best system for that."* The systems were partly present within the organization and the missing systems were set up. A manager said that *"We partly had the systems, but some parts not. We are now developing them. They are there, and where they are not there, they are being developed."* A top manager said that *"We are now setting up the systems, and with the knowledge we now have, we realize that we have chosen the right systems."*

**Right talent.** And, in terms of talent, the participants indicated that the talent was certainly present but that it could still be developed somewhat. An employee indicated that the business was always looking for talent: *"I think they are always looking for talent. The business has also had a start-up group for a year and a half, because quite a few positions remained open and to interest other people in the profession. So far, it has been quite successful."* Furthermore, a manager noted that the right talent was present but that development was still required *"The talent is certainly there, but it still needs some development. And we have to keep an eye on that development and take time for it and not fall into the delusions of the day."* A top manager pointed out that talent was developed partly through collaboration with external parties: *"That integration layer – that is new technology, and we do not have that knowledge in-house. Therefore, we involve an external supplier. But the external supplier actually also manages our people and the talents; we do co-creation together there, to create such a new landscape."*

**Positive attitude.** Furthermore, there was a very positive attitude among the participants, which promoted the change process. An employee admitted that there was comprehension during the change process: *"You don't want to let go of the reins; you consciously want to keep the pressure on. And it is handled with understanding."* In addition, there was confidence among the participants, with one employee stating that *"I believe it can only be a success; I see no other outcome."* And a manager stating that *"I have complete confidence in it."* There was also high involvement and enthusiasm in the change process and everyone did their utmost, as stated by an employee: *"We go for it, we do our best, and if it doesn't work, it's not because we didn't do our best."* Several managers stated, *"You see high involvement and enthusiasm – that radiates in the department. We can't wait; we can't do it fast enough."* and *"I notice that everyone is doing their utmost to make something of it."* As indicated by a top manager, there was a positive flow during the change process, *"There is a very positive flow. People who have wanted and who really want digitalization in this* *business – this is also because, if you move it to a family business, there is a lot of involvement, and people really want to go the extra mile in this area."*

**Measuring performance and progress.** Finally, the last strength was measuring progress and performance. Almost all participants felt that the progress of the change process was measured properly. Not all participants knew how performance would be measured after implementation, but both top managers showed that there was a concrete plan to monitor and assess the objective. Therefore, it was considered a strength. During the process, the business worked with a schedule with fixed delivery times, as admitted by an employee who said that *"We have our fixed delivery times. The development team I work with works in sprints, so that means that you deliver a piece every two weeks and in a two-week cadence work. And every two weeks, you hope that something will be live again; then you really get a measurable moment."* A manager stated that *"We measure the projects by having plans and discussions with the steering group and deliverables."* After implementation, return on investment would be measured and progress and performance would be measured based on KPIs. As stated by both top managers, *"When we measure, we are talking about performance. We are already doing that now, whether we are financially within the budget or have we exceeded the budget somewhere – we measure it in that way. And we will soon have also our additional turnover growth in that business case. Because what is our return on investment? The payback period."* and *"We will measure on KPIs whether we will achieve the deliverables, and then you can also see whether you need to make adjustments in the meantime."* However, one manager did miss biweekly review moments: *"What I miss – and what I also told the product owners and the programme manager that I miss – is the biweekly review. We have agreed with each other that we will realize and deliver chunks of work biweekly. In addition to those two weeks, there should be some kind of review moment. These have still not been held; they are simply not being held at the moment. So you cannot see how far you have come."*

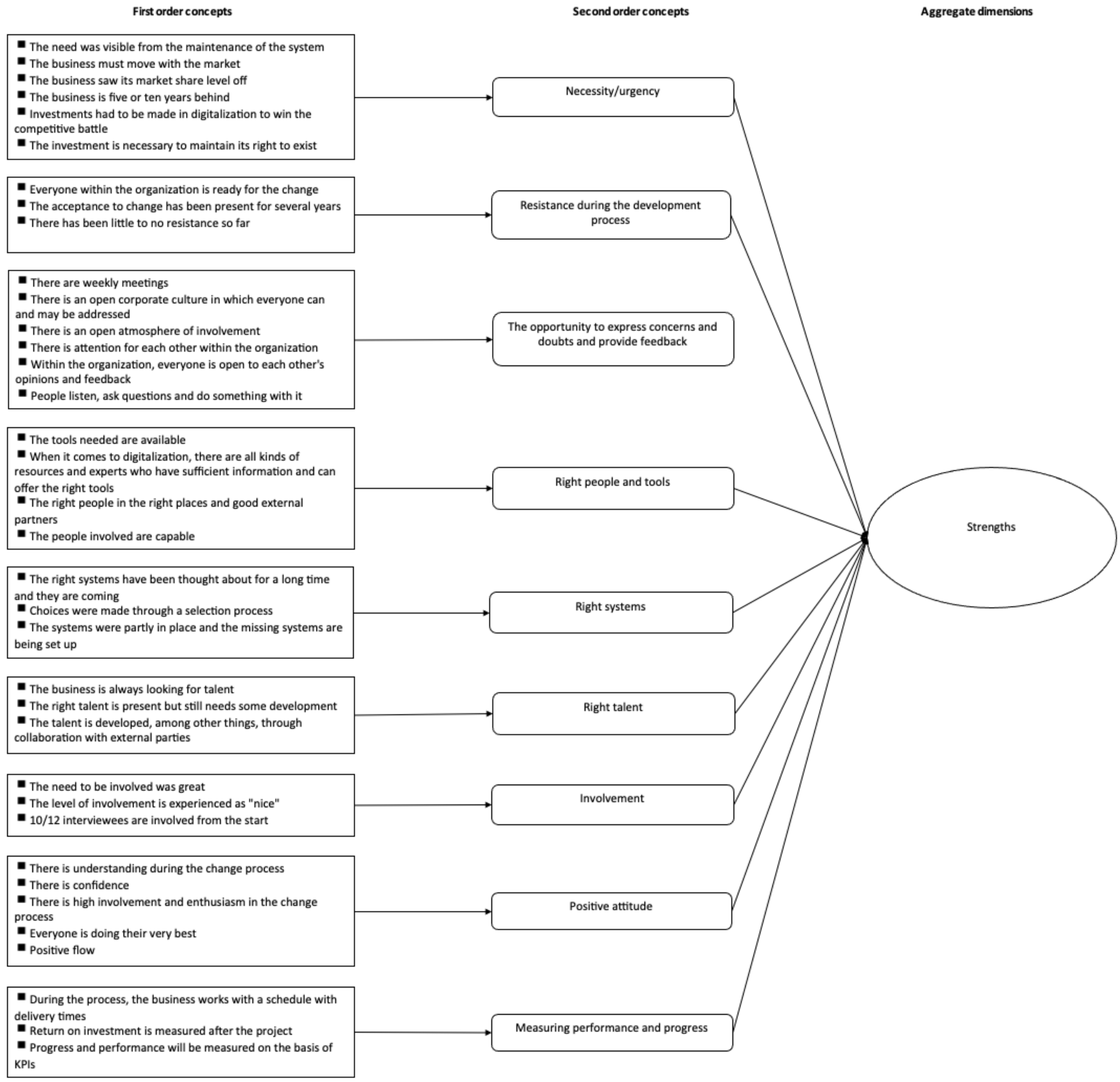


*Figure 13: Data structure for the strengths of the business process*

### 4.1.3 The process

Most aspects seemed to be connected, for example if more time had been taken for preparation and choices had been made more quickly, the scope would have been clearer and more concrete. As a result, the time schedule could have been worked out more realistically and a more realistic deadline could have been determined. Of all participants, there were two participants who were not involved in the change process in the project group, the uninvolved participants were an employee and a manager. Both participants would have appreciated at least being kept informed through communication about the change process. As mentioned by several participants, a time schedule was used with fixed delivery times. These fixed delivery moments made the organization aware of where they were in the process and which steps were still required. As soon as the time schedule and deadline would be (more) realistic, this will be a good measuring instrument to monitor progress. Furthermore, the business was accessible for communication of any doubts, feedback, or concerns, but little to no communication came from the business (the management). Based on the interviews, there was a clear difference in terms of function. Top managers and managers had more information than employees and were therefore talked easier about the change process. In addition, top managers seemed to experience the change process more positively than managers and employees.

## 4.2 How are the stakeholders of family businesses affected by digitalization?

The change process would affect different stakeholders in different ways. The stakeholders that would be influenced were the employee, the customer, the organization (shareholder), the competitor and the supplier. Interviews were used to investigate how the various stakeholders had been influenced by digitalization.

### 4.2.1 Employee

**Working easier.** The employee was influenced by digitalization in various ways. For example, digitalization made it possible for the employee to work more easily, because the manual steps were replaced by automatic steps, as stated by an employee *"We have to, because there are still a lot of manual actions in our system. People are fed up with it at a certain moment."* A top manager stated, *"There are still many manual steps in the system. Digitalization helps advisors to simplify their work and pay more attention to the customer"* In addition, digitalization offered more insights and allowed the employee to work faster. For example, an employee indicated that *"For us as advisors, it really becomes a bit easier and faster to work if it can all be done automatically. We want the customer to be able to close it themselves via the website. That would save us a lot of work. The purpose of the change is to work easier, faster, and more efficiently. I think the impact for us is that it will be much more pleasant to work – that we can see much more easily who the customer is, what they have, and that we can do much more being able to pay attention to the customer."* A manager said that *"It makes work easier; we can better organize and monitor our processes with more insights and faster work. All in all, digitalization will be an improvement for me."*

**Efficiency.** This also allowed the work to be carried out more efficiently, according to the participants. Automation made it possible to improve efficiency. As one employee said, *"We can work much more efficiently when many things are automated."* Furthermore, the systems could be set up more efficiently. According to a manager, *"A new website and environment is now being developed for us. Things will also be set up more efficiently for the advisors so that they can retrieve their information better and so that they can get a better customer view. With the aim that it accelerates the process to the customer and therefore requires fewer human actions."* In addition, the employee was able to spend their time better because *"We do a lot by hand and we just need to do less of that. You have to be able to spend your time better as an employee, not spend it all on manual things that can be done automatically."*

**More job satisfaction.** By working more easily and efficiently, the employee would have more time, according to several participants, which would improve job satisfaction. For example, there should be higher satisfaction after digitalization, as stated by several employees and a top manager: *"That I will soon be able to do my work much better. And also for colleagues who are in the middle of the systems – that they can also do their job better and work easier. Then we also create much more job satisfaction."; "CRM can help in automated parts – in customer views, data better in order and higher employee satisfaction." and "The change must contribute to making our employees happy, enthusiastic, and proud to work for the business unit again."* The employee should also have more time left, as one employee claimed: *"In terms of atmosphere in the team, I certainly think that will change. It is already very good. But if you have more time and can therefore have more conversations with a customer, then you also have more time if all goes well, and then you can do more together."* Furthermore, an employee admitted that digitalization would generate more energy because *"I think it actually absorbs more energy, especially if everything is in good shape and runs well in the end. It also makes more things easier to implement."*

**Requirements commitment.** As emphasized by several participants, digitalization was a major transformation and required a lot of dedication and involvement from the employee. For example, an employee emphasized that they were happy to be involved: *"I just wanted to be involved and stay involved, and that made me happy – that it started, and that I was or* *am involved."* A top manager stated that people were also willing to go the extra mile: *"People really want digitalization in this business. That's because, if you move it to a family business, it requires a lot of involvement, but people want to go the extra mile also in this area."* The change process also required dedication from those involved. According to an employee, *"Such a change often takes some time, so there really needs to be dedicated people who are also willing to go for it."* In addition to dedication from those involved, the change also demanded a lot from the business. As indicated by an employee, *"It demands a lot from the business itself, also in terms of the IT department and all the people involved."*

**Increase in workload.** In addition, an increase in workload was experienced by the participants. A manager mentioned planning as one of the reasons for this: *"The workload on the team and that also has to do with planning. But that also affects the team."* A top manager pointed to another reason: *"My primary response would be that there is a lot of pressure on that implementation."*

**Job insecurity.** One of the many additional factors in change was uncertainty. Some employees wondered what their job would look like in the future and whether they would still like it: *"If you look at it from the perspective of a policy employee, he will think, "What is going to happen to my work?" So there is a completely different mindset."* and *"Change causes fear. What will it look like in the future? Will I still have a job? But also how will I do my work in the future? Will I still like it? That causes that fear for a change."*

**Resistance.** And once the change would be implemented, several participants still expected resistance. For example, an employee noted that it would first get worse before it would get better: *"I still expect resistance. I would understand that it they would say that it would get better, but it is not. I always say it has to get worse first before it gets better again. We will probably go three steps back before we go ten steps forward again."* Furthermore, an employee made it clear that adoption took a lot of time because *"It takes a lot of time for people to adopt something. And especially if you have people with long employment or a slightly older population, it takes longer for those people to adopt."* Furthermore, an employee reported that the employee might no longer enjoy the work because *"The only challenge I see in this is that they might like to invest a little more time and energy in what they are currently doing, and that…if they have to completely switch to a fast system where they can do their work well, they may no longer enjoy the work."* Finally, a manager pointed out that the deadline caused stress due to the increase in workload: *"Stress, because* *employees think that the deadline is still quite tight, and we don't know exactly what we have to build. But they are expected to be ready, and that causes stress. And if you as an employee experience that nothing is being done about it, then you become resistant."*

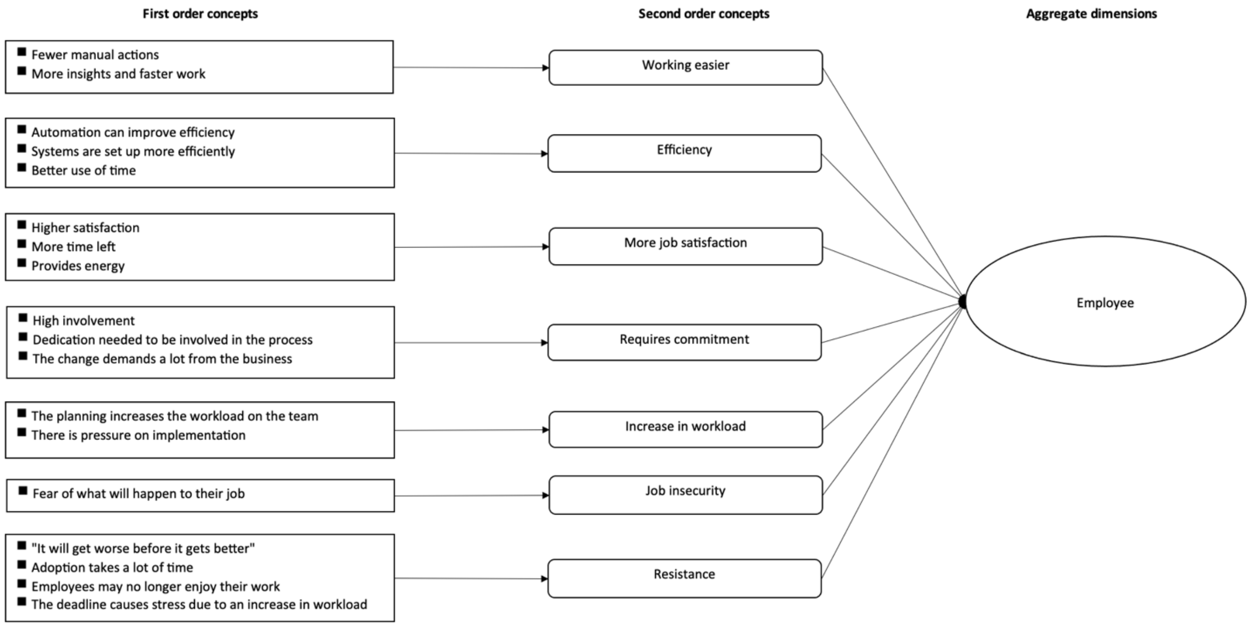


*Figure 14: Data structure for the effects of digitalization on an employee*

### 4.2.2 Customer

**Better customer service.** Digitalization ensured that the organization could also offer digital services to customers in addition to personal services. An aspect that the customer missed with the business and found with the competitors, according to the participants. In addition, according to an employee, the customer could be helped better through automation: *"I think it will help, because you have to spend less time with your head in the system and you can be more with the customers and the conversation and in improving the conversations you have."* Furthermore, the business was able to offer better customer service by offering digital services in addition to personal services. One manager thought, *"You must be accessible and visible online; your online proposition must be good, and you must also maintain accessibility and must remain available for people who want to come by and who have questions. I think digitalization is very important."* A top manager emphasized that *"The key driver is the excellent customer experience that is human and digital."*

**More attention for the customer.** More attention could also be paid to the customer, according to an employee, because *"I mainly think that the impact is that we can pay much* *more attention to the customer. It is now all fast, fast, fast, and then hopefully you have some more time to restore personal contact."* According to a top manager, partly because of this, and thanks to digital resources, there would be more time for the customer and for employees to practice their profession: *"Digital resources ensure that we have more time for our customers and can practice our profession better. Data gives us immediate insight into analyses, the market, and we can reach our customers better and faster. Our services are always available digitally, which is actually a kind of dot on the horizon for the digital transformation, and this is also supported by management team."*

**Desirable communication possible.** This allowed the business to serve the customer the way they wanted to be served. A manager pointed this out by stating that *"If you want to continue to exist and survive, you have to ensure that customers are served the way they want to be served. Those are actually the necessities."* Furthermore, digitalization allowed the customer to communicate with the business in the manner desired. The underlying motivation was described by a manager who pointed out that *"We want to serve our customers better and ultimately organize the entire segment in terms of customer service in such a way that the customer or our relationship can communicate with us in his or her desired way. We call that "excellent customer service" internally, or a "nine-plus experience". But ultimately, we do it for the customer."*

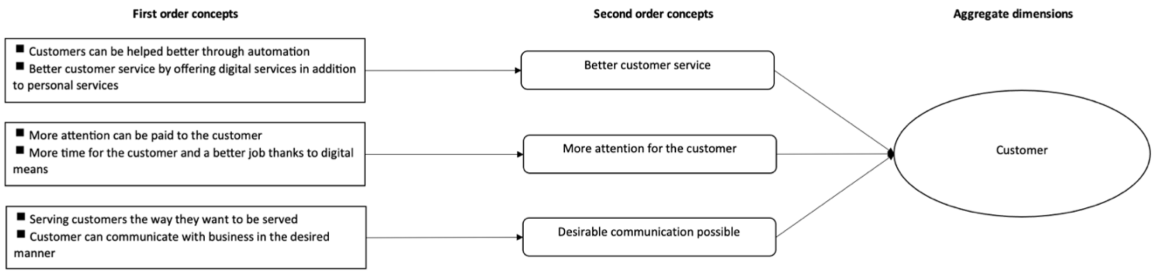


*Figure 15: Data structure for the effects of digitalization on a customer*

### 4.2.3 Organization/Shareholder

**Efficiency.** For the organization (and therefore also the shareholder), digitalization meant that work could be done more efficiently because more could be done with the same people, which yielded a higher return. A manager noted that automation had to be implemented to continue to exist: *"To survive and be able to keep up and continue to operate independently, you have to work more efficiently. And working more efficiently actually means that you have* *processes that you can automate, which no longer involves a human being, and must be automated, digitalized. If you don't do that, you will be at the mercy of the lions."* In addition, a manager claimed that digitalization resulted in *"working more efficiently, reducing costs, actually increasing returns, and being able to do more with the same people."*

**More profitable.** Ultimately, better customer service and higher returns should lead to more sales, which would mean that the organization became more profitable. For example, an employee pointed out that the management would aim for more turnover and becoming a more stable business. Another employee indicated that digitalization should ultimately result in more sales. Furthermore, an employee and manager emphasized that turnover growth should be achieved, and that the payback period was examined to see whether this was the case. For example, the employee indicated that *"You can hopefully see your turnover increase, and if it decreases, then you know that something has gone wrong."* The manager stated that *"You also have goals in your business case. For example, for the specials trajectory, assume we want X euros in turnover growth because you invest Y euros. You want to earn that back somewhere. The business case also includes a timeline of when you will achieve which turnover growth so that you recoup that investment."*

**Sustainable growth.** More efficient working and higher returns were intended to ensure that the organization became a sustainable organization. Partly because there was more potential for growth, as one employee described: *"An efficiency gain and therefore ultimately more potential for growth. When I look at what we are doing now with the current systems, I believe that we will approximately double when we have further digitalized and optimized ourselves. Then we will grow our business a bit."* Furthermore, a manager stated that the business became future-proof through digitalization, *"If you look at the specials story, I say we need digitalization. Because we also want to remain future-proof."* In addition, a manager expected that this change would lead to growth in the IT department: *"I think the IT department will become somewhat larger in the future. Because we are going to digitalize more, we have more systems and more maintenance. But it will also mean that we are seen differently by the organization, because we become much more of a spider in the web, because it becomes much more digitalized."* Moreover, one of the objectives was *"To achieve market growth. We also said that we want to grow faster than the market again,"* said a top manager.

**Market leader.** As mentioned above, digitalization had to ensure and make it possible to catch up with the market and to become the market leader. As several employees made clear, the business had all the knowledge and fame needed to be the largest. The employees emphasized that *"But also with a view to becoming the real market leader in terms of product again, because we are no longer the market leader."* and *"Specials has the size and all the knowledge in-house to become a real, good, big name. And they also have the fame in the market to simply be the largest. The only thing that needs to change is digitalization. "*

**Culture change.** But as mentioned previously, it was a major transformation. As one manager explained, it was not just a digital transformation but was largely a cultural change: "*What we are doing now, we call it "digital transformation", but 80% is actually culture change."*

**Dependencies.** Because it was a major change, many different people were involved. As a result, there were many dependencies that jeopardized the advancement of the process. As also indicated by an employee, *"Dependency on others is a major factor. We work with different partners. You have three different partners on whom you depend, and everyone produces their own planning. There are quite a few dependencies – are you going to make it or are you not going to make it? Because one thing depends on the other before you can move on."*

**Losing employees.** In addition, several employees indicated that implementing the change could cause certain people to drop out and look for another job. But as one employee said, that is part of change: *"There may be people who the business will lose, but there are always people who go away when you enter a change process. But that is also part of it."* Another employee noted that some would rather not be confronted with digital because *"Some people are immediately involved; they immediately see the added value of something. And others want to go back to the analogue era; they know that it will never come back, and they will ultimately choose to either come along or find another job. And that is always a shame. We also think it is a great pity when people leave here; it feels like a form of loss. On the other hand, I also think that it is part of a form of change – that people no longer feel compelled to work for this organization, because they would rather not be confronted with digitalization."*

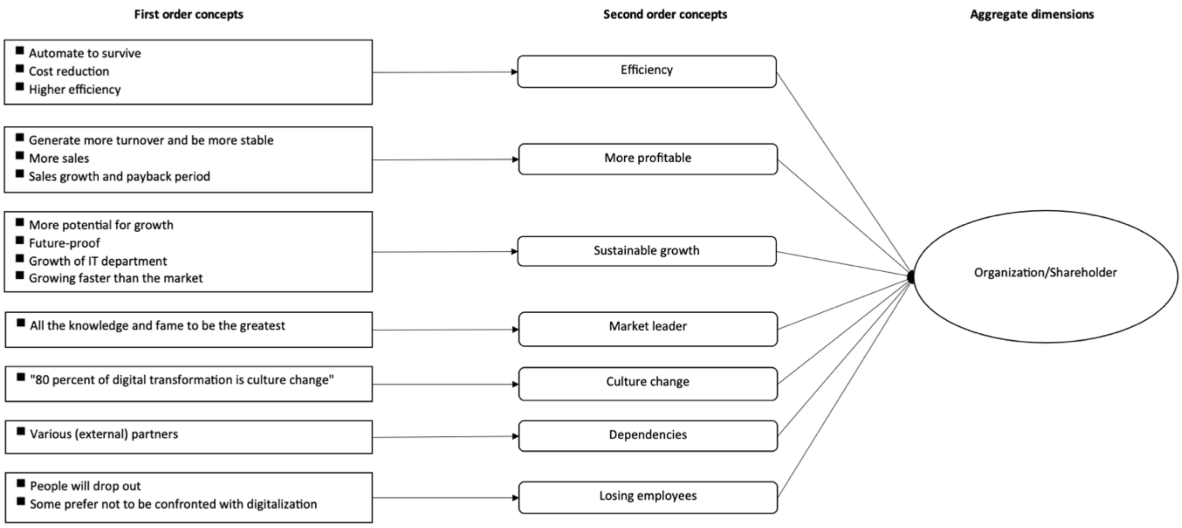


*Figure 16: Data structure for the effects of digitalization on the organization/stakeholder*

### 4.2.4 Competitor

**Catching up on market share.** For the competitor, the implementation of digitalization by the organization in question meant that the competitive advantage would decrease and turn into an advantage for the organization compared to the competition. This would cause the competitor's market share to shrink. The business saw the need for digitalization mainly due to wishes from the market, as confirmed by an employee: *"Wishes from the market. For example, in the current situation we cannot let the customer calculate his own premium online. Then you suddenly fall behind again in the market, because the rest can, very bluntly said. You have to move with the market; you want to be at the forefront again. Specials has been at the forefront for a long time, also in terms of market share. Now you see that this is levelling off, and you want to tap into new markets again. where this trajectory emerged."* Digitalization enabled the business to keep up with the market, according to a manager and top manager *"The market has moved a bit faster in recent years than specials itself. And specials is an external authority and also a stable name. Only to on the inside, there is simply a need to continue developing, to improve, to also keep up with the market and keep up with competitors. We have to move into the future. We have to be careful that we are not overtaken by competitors or by threats in the market. Well, then we have to continue developing."* and *"We have always been at the forefront of the market with innovation. Competitors are approaching us or have almost overtaken us. And we also saw that we were no longer growing as fast as the market. We do not want that, and we see sufficient opportunities in this growth market, and that is why we have to invest now – because we see* *many opportunities that we can take advantage of – but we need different resources than we currently have and use."*

**Narrow the gap with the competition.** This gave the business an advantage over the competition. As a top manager stated, *"We first pour the foundation and that is where the digital house is actually built, and we ultimately think that this will provide a competitive advantage if we have all that in place."* This allowed the business to win the competitive battle, as made clear by several employees: *"I think we have to. The market is ahead of us; we are actually a bit behind the time. If you want to win the competitive battle, you will also have to invest on digitalization." and "It has been noticed that we are starting to lag behind in the market – that our competitors have many automatic systems and price calculations via the site and things like that. And specials was the largest and must remain the largest or must become so again. That is why digitalization is the biggest challenge: if you don't do it now, you will simply lose out compared to the competition."*

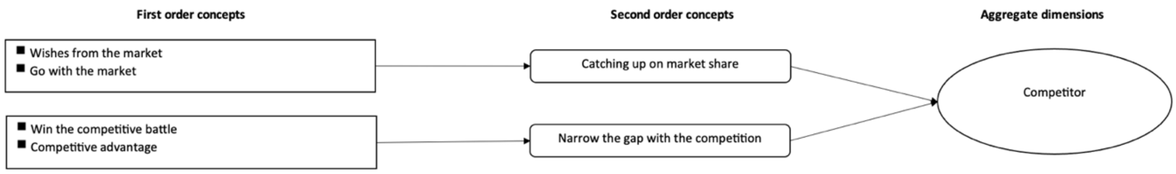


*Figure 17: Data structure for the effects of digitalization on a competitor*

### 4.2.5 Supplier

**Employment opportunities.** The last stakeholder affected by digitalization is the supplier. Due to a lack of certain capabilities within the organization, external suppliers were hired for these aspects to assist the business. This change created employment and provided opportunities for the external supplier. Several managers and a top manager stated that the lack of knowledge was compensated by hiring external partners: "*We hire external parties for the technical side. We hire them for that assignment; they are used to that, and they have also been trained for that. They will also carry it out. For a change, you need extra capacity, and we try to do it with the same people. And what you see is that we are now hiring capacity."; "We have acquired external knowledge for the knowledge we did not have."* and *"In addition, we have now purchased additional capacity to ensure that projects can continue and are completed on time. This low level of integration is new technology, and we do not have that knowledge in-house; we involve an external supplier for this. But they actually also* *train our people and talent. You do need external parties to implement that transformation, and it is a kind of yin-yang; it cannot be done without each other. If you only have IT people, they understand your business, then you won't get there, and if you only have people who understand the business but have no IT knowledge, you won't get there either. We really need external parties to shape this."*

**Dependencies.** But for the external supplier, the supplier also had certain dependencies. For example, the external supplier was firstly dependent on the correct guidance from the organization in question, but the supplier also had to comply with the agreements and deliver on time. An employee and manager emphasized the complexity between internal and external collaborations: *"Dependency on others – that is a major factor. We work with different partners – we have a partner on website construction, we have a partner for the mid-tier, and we have a partner for the backhand. We have three different partners on whom we depend, and everyone produces their own planning. There are quite a few dependencies. Are you going to make it, or are you not going to make it? One thing is dependent on the other before you can move on."* and *"The ICT department has to build everything with external suppliers. The cooperation between those parties in particular has to be good, because you are dependent on each other everywhere. The people from different project teams have to be ready for each other on time and do the right things for each other. The planning due to dependencies on each other and also the planning in addition to the project activities. That is quite challenging, to ensure that this is properly coordinated and also that you have to deal with internal people and with external suppliers on all different matters. It is quite complex to ensure that everyone always does the right things and that they also know that they are doing the right things."* A top manager also underlined the necessity and complexity of coordinating schedules: *"We have a number of projects and programmes running, and they all communicate with each other. There are a lot of dependencies, and then we saw that there is a scarcity in terms of capacity. Then there is also a steering group consultation, and then we say that additional purchasing must now be made. We often do this externally to ensure that things continue. But you also see major dependencies, that once one project has started, the other must also continue, and that has to be coordinated."*

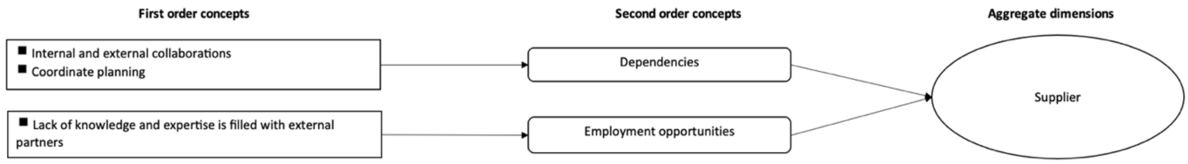


*Figure 18: Data structure for the effects of digitalization on a supplier*

## 4.3 What opportunities are created by digitalization and how can they be used?

The interviews explored the possibilities created by digitalization and how digitalization could be implemented.

### 4.3.1 Opportunities

There were many opportunities for the organization created by the change process. Digitalization brought the following possibilities: easier work, more efficient, more job satisfaction, nine-plus customer experience, more profitable, gaining market share, maintenance, further development, and future-proofing.

**Working easier.** As indicated, the work could be carried out more easily because many manual steps were replaced by a system where these steps were completed automatically. The work could also be performed better, as stated by several employees: *"It will have a major impact on my work; I will soon be able to do my work much better, and the colleagues who are in the middle of the systems will soon be able to also do their work better and easier."* and *"I expect and hope that the impact will be very great, especially in the sense that it will really become easier and faster for us as advisors to work."* In addition, a top manager underlined the advantage of fewer manual actions: *"Now, there are still a lot of manual steps in the process. The change helps the advisors to simplify their work and pay more attention to the customer. If we do it right, then they will soon have software that will make them think my job will be easier."*

**More efficient.** Because it was easier and faster to work, the organization improved their efficiency. An employee stated that the business had experienced *"An efficiency gain and therefore ultimately more potential for growth. When I look at what we are doing now with the current systems, I believe that we will approximately double once we have further digitalized and optimized ourselves."* In addition, another employee noted another efficiency gain: *"Ultimately, you can start digitalizing, and then you get to the desired situation, and then you remove waste."*

**More job satisfaction.** The aforementioned factors would leave employees with more time and employee satisfaction would increase, which would ensure more job satisfaction. According to one employee, *"We are limited by the crowds and systems that limit this. And the atmosphere in the team will certainly change. It is already very good, but if you have more time and have more conversations with a customer, then you also have more time to do something together."* Digitalization would also ensure higher employee satisfaction, as several employees and a top manager stated: *"We will soon be able to do our work more easily. Then we will also create much more job satisfaction."* and *"Employees can do their work again to their satisfaction."* and *"I think that change should contribute to making our employees happy, enthusiastic and proud to work for the business unit again."*

**Nineplus customer experience.** The ultimate goal of this change process was the nine-plus customer experience. The expectation was that this goal would be achieved by meeting customer needs more through personal and digital services. Through digitalization, employees were able to pay more attention to the customer because *"The aim is to be able to pay more attention to the customer. It is now all fast, fast, fast, and then hopefully you have a little more time to regain personal contact."* according to an employee. In addition, there appeared to be a strong customer need for digital services according to these managers *"The customer's need for digital services and also the need of the employee here internally. To have better digital resources, to experience the service as a customer and to experience the service as an employee. The goal of the change is the nine plus customer experience."* and *"If you want to continue to exist and survive, you have to ensure that customers are served the way they want to be served. We want to be able to do more with the same people and therefore serve our customers even better. And ultimately, we want the entire segment in terms of customer service; we organize this in such a way that the customer or our relationship can communicate with us in his or her desired manner. We call that internally "excellent customer service", or a "nine-plus experience". Ultimately, we do it for the customer."* According to one manager, the business was able to build more long-term relationships by meeting customer needs and offering digitalization because "*We want to sustain in the long term, and we want a long-term relationship with our customers. In that sense, we want to keep our own survival in the air, and I think that's the goal of this* *transformation."* Furthermore, a top manager emphasized the importance of realizing personal and digital services because *"In our strategy, we say that we want excellent customer service within the business. We call that a "nine plus". And for excellent customer service, personal advice is very good, but you expect perhaps that you can also view your policy in a customer environment or receive it in your inbox immediately after taking out a product. The most important driver is the excellent customer experience that is human and digital."*

**More profitable.** It was also expected that more customers would be attracted through better customer service. Which in turn should lead to higher returns and more profit for the organization. As confirmed by an employee and a manager, *"Efficiency and more sales ultimately means that we will sell more."* and *"This way we can continue to grow and generate more turnover and volume in the coming years."* What should lead to a higher return are *"Working more efficiently, reducing costs, actually increasing returns, and being able to do more with the same people,"* said this manager.

**Gain market share.** Competitors were approaching or had overtaken the business. This change should make it possible to catch up on the market and possibly become the market leader. The following employee and top manager explained why it was important to implement digitalization *"The market is ahead of us; we are actually a bit behind the time. If you want to win the competition, you will also have to invest in digitalization."* and *"We have always been at the forefront of the market with innovation. Competitors are closing in on us or have almost overtaken us, and we also saw that we were no longer growing as fast as the market."* Digitalization would also provide the business with an advantage over the competition. According to an employee, *"It has been noticed that we are starting to lag behind in the market – that our competitors have many automatic systems and price calculations via the site and things like that. And specials was the largest and must remain the largest or must become so again. Digitalization is the biggest challenge for this."* A manager stated, *"To move forward and take two or three steps compared to the competition because we already see them in the rear-view mirror. We have to be careful that we are not overtaken by competitors or by threats in the market."*

**Future-proof.** In addition, several participants stated several times that if the business did not implement the change quickly, the business would at some point cease to exist. By digitalizing, the business would grow sustainably and be future-proof. According to some managers, the business wanted to become a sustainable organization through this change because *"If you look at the specials story, I say that we need digitalization. Because we also want to remain future-proof."* and *"We want to be a sustainable organization. We want to be able to sustain it. We want to sustain it in the long term and we want a long-term relationship with our customers. We want to keep our own survival alive."* In addition, a top manager said that the business needed digitalization to remain relevant: *"For the long term, we want to grow sustainably together as a business. To create a sustainable business, investments must be made in digitalization. We want it too, but in order to be relevant and to stay relevant, we really have to do that."*

**Maintenance and further development.** Finally, the new system was easier to maintain and made further development easier. These employees stated that *"Maintenance of the system and maintainability of the system. And being able to further develop the system, which was no longer possible with the current systems. I think that innovation is the trend in particular."; "The IT department is happy that they are getting a system that can finally be further developed and maintained."* and *"With a new system, we are really preparing so that we can develop better."*

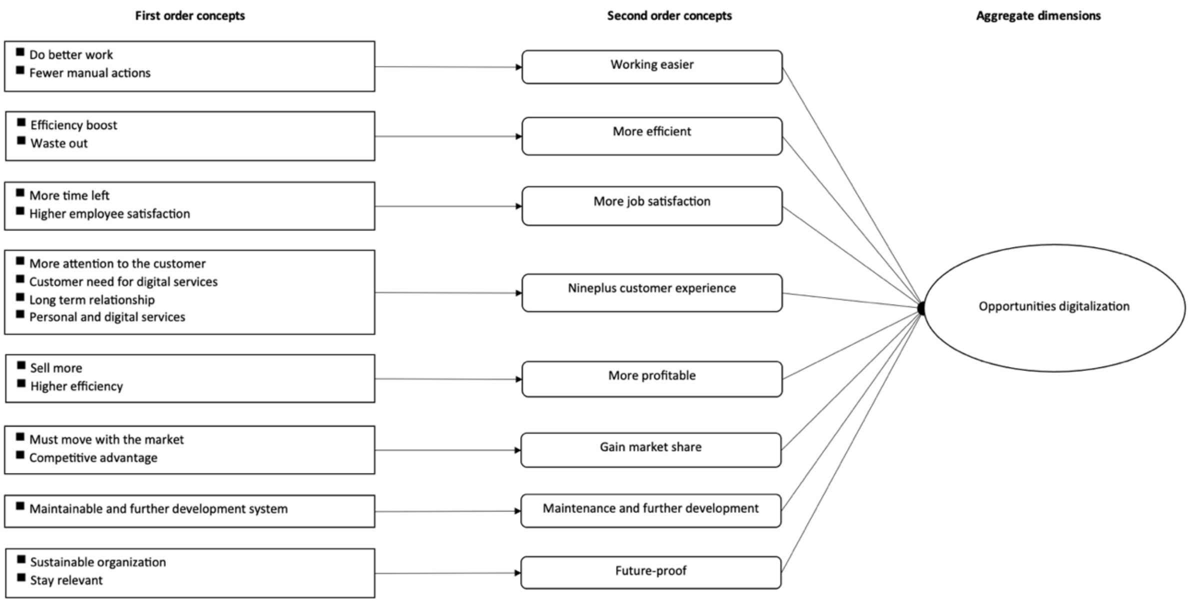


*Figure 19: Data structure for the opportunities of digitalization*

### 4.3.2 Implementation

As made clear by a top manager, the change process within the business consisted of three phases. The top manager described the process and phases as: *"As a management* *team, we started with the strategy. What are our important strategic goals? And then we looked at, which direction are we going with the business? That's what I call "aiming". And then the second phase was the arranging. Then we looked at, how can we bring that strategy to execution? For this purpose, we have set up a project management organization with a portfolio manager. We also have a monthly portfolio management board. This is a consultation in which we discuss all initiatives. Furthermore, we are all setting up project management tools and the project organization from those steps, from a dot on the horizon, from execution to design. And now we are in the software-selection phase."* As several participants mentioned, the change processes stopped at the implementation stage.

# 5. Discussion

This research aims to provide a model that is suitable for implementing organizational changes – specifically, digitalization - at family businesses in the financial-services sector. This research question is answered based on the following sub-questions:

1. *"What does the business process look like and how does the business know in which phase the business is in?"*
2. *"How are the stakeholders of family businesses affected by digitalization?"*
3. *"What opportunities are created by digitalization and how can they be used?"*

To answer the main research question, the sub-questions were carefully examined for confirmations and contradictions compared to existing literature. First, the theoretical contributions and the practical contributions are discussed. The limitations of this study and suggestions for future research will then be outlined.

## 5.1 Theoretical implications

### 5.1.1 "What does the business process look like and how does the business know in which phase the business is in?"

Various points of attention and strengths have been found in the business process of the business in question. The points of attention are as follows: more time for preparation, making choices, deadline/time planning, capacity, dependency, communication (towards the organization), training and coaching opportunities, bringing people along, resistance after implementation and further development. The strengths concern: necessity/urgency, resistance during the development phase, the ability to express concerns and doubts and provide feedback, right people and tools, right systems, right talent, involvement, positive attitude and measuring performance and progress.

The importance of these aspects in the business process is confirmed by several well-known change models. For example, Lewin's Three-Step Model consists of the phases ensure that the employees are ready for the change, execute the intended change and ensure that the change becomes permanent (Burnes, 2020). Similarly, Kotter's 8-Step Model consists of the same three phases. However, these are called differently. The three phases in Kotter's model concern creating the climate for change, engaging and enabling the organization and implementing and sustaining for change. This model is also slightly more extensive with steps in the phases. The steps in the first phase concern creating urgency, forming a powerful coalition and creating a vision for change. The steps in the second phase consist of communicate the vision, empower action and create quick wins. And the steps in the final phase are build on the change and make it stick according to Brock et al. (2019). McKinsey's 7-S Model consists of seven elements that must be considered to effectively manage change. Strategy, systems, staff and skills are the elements that also emerge in this research (Channon & Caldart, 2015). The ADKAR Model offers a clear and concise representation of a change process that immediately shows where the process is stuck and which elements are being missed. The ADKAR Model consists of five phases with steps that need to be taken in each phase. The first awareness phase aims to create an understanding of the urgency for change and includes the steps of communicating the change with employees, explaining reasoning and giving employees the opportunity to ask questions and suggestions. The second phase desire is to gauge the desire to make the change and consists of the steps gauge employee reactions to the change, identify champions and identify resistance and act on it. The third phase knowledge is to obtain and provide knowledge regarding the change and the steps are: training and coaching, identifying skill gaps and providing tools. The fourth phase ability consists of the opportunities to implement new behaviours and skills and here the steps are test rounds for implementation, monitor progress, set realistic goals at the start and make adjustments where necessary. The fifth and final phase of reinforcement is to keep the change after making the change and here the steps involve monitoring performance and using positive feedback, rewards and recognition to encourage employees for change (Boca, 2013). The last change model that confirms the importance of the above aspects in the business process is the PDCA Model. According to Moen and Norman (2006), the four phases in this model are plan: identify the problem, do: test possible solutions, check: verify effectiveness and act: implement the best solution.

On the other hand, there are also models that are not considered relevant for the business in question. For example, the Kübler-Ross' Change Curve Model is a model that focuses on the behavioural phases of a change process. According to Eisenberg and Alahakone (2016), the stages are denial, anger, bargaining, depression, and acceptance. At the business in question, there was immediate acceptance because the need and urgency were so present. As a result, this model is not applicable to the organizations business process. Furthermore, the Bridges Transition Model is also focused on the different phases that a person goes through in a change process. This change moment also has no similarities with the business process that was investigated. In addition, the SAFe 6.0, PRINCE2 and MSP models are made for complex programme and project management. Although the business in question implements the change on a project basis, these models are too specifically focused on programmes to contribute to the model for the business in question.

Most aspects are connected, for example if more time had been taken for preparation and choices had been made more quickly, the scope would have been clearer and more concrete. As a result, the time schedule could have been worked out more realistically and a more realistic deadline could have been determined. As mentioned by several participants, a time schedule was used with fixed delivery times. These fixed delivery moments made the organization aware of where they were in the process and which steps were still required. Furthermore, the business was accessible for communicating any doubts, feedback, or concerns, but there was little to no communication from the business (the management). Based on the interviews, there is a clear difference in terms of function. Top managers and managers have more information than employees and therefore talk more easily about the change process. In addition, top managers experience the change process more positively than managers and employees. This finding is supported by the theory called the `iceberg of ignorance` (see Appendix B). After a study by Sidney Yoshida in 1989, it became known that 100% of problems are known to employees, that 74% of problems are known to team leaders, that 9% are known to team managers and that only 4% are known to top managers (Grennan Jr., 2013).

According to By (2005), there is a failure rate of approximately 70% of all change initiatives, while successfully managing change is considered a requirement if businesses want to succeed in today's competitive and rapidly evolving business environment (By, 2005). Although there are many models, theories, and methods to implement organizational change, there are none suitable for every business to implement and manage such changes due to the differences between businesses and industries. This low success rate reflects the lack of a valid model or method for implementing and managing organizational change.

Developing a model requires insight into how a business process works. This sub-question contributes to existing business process theory by highlighting the important points in the business process for a family business in financial services that wants to implement digitalization. By analyzing the organization's business process with a helicopter view, strengths and points of attention have emerged that are of value for the implementation of an organizational change such as digitalization. These points of attention and strengths reflect the characteristics and phases of a change process. The strengths concern the phases and points that the business has mastered well during a change process and the points of attention are the phases and points that the business must work on to prevent these from becoming pitfalls. The strengths and points of attention both contribute to the model for implementing digitalization in a family business in financial services.

### 5.1.2 "How are the stakeholders of family businesses affected by digitalization?"

The change process affects different stakeholders in different ways. The stakeholders influenced are the employees, the customers, the organization (shareholder), the competitors, and the suppliers. Interviews were used to investigate how the various stakeholders have been affected by digitalization.

As mentioned by Savage et al. (1991), organizational strategists today must consider how to manage stakeholders. Stakeholders are the individuals, groups, and other businesses that in some way have an interest in and can influence the actions of a particular business. One of the most important tasks of leaders is to continuously identify the interests, needs and capabilities of stakeholders and keep them satisfied. The most important stakeholders to satisfy are those who influence the business the most (Savage et al., 1991). As mentioned by Voinov et al. (2016), more and more involvement is required from citizens who are stakeholders in a business. For example, they want to be involved in planning and making decisions that affect them or their communities. According to Wheeler and Silanpää (1998), businesses, like all other established institutions and governments, must listen to their stakeholders, especially regarding the values and beliefs they hold. The key stakeholders that need to be heard are customers, employees, and investors. It is important that the business responds positively to such stakeholders; if a business fails to do this, its competitiveness will decline, potentially leading to the business' demise.

The above theory confirms what was indicated by the participants – namely, that they had indicated for a long time that digitalization was necessary and that they ultimately convinced the business of this. Because the business had waited so long, it saw its market leadership position decline. Furthermore, in addition to the fact that stakeholders can exert a lot of influence on a business, they are also influenced by the organization's choices and actions. As described in the results, the entire way of working changes for both the business and the employees. In addition, implementing digitalization completely changes the customer experience for customers positively. Furthermore, the market position of competitors changes, and digitalization affects work opportunities for suppliers.

As mentioned by Schouten et al. (2018), little attention has been paid to how change recipients understand and interpret the process of identifying the issues that motivate organizational change, let alone how organizations identify possible solutions. Therefore, it is important to pay more attention to employees and other stakeholders to balance the richness and complexity of change. In addition, it is important to pay attention to the issue of acceptance of change at top- and middle-management levels, as this has received little attention to date.

This sub-question contributed to the existing theory by examining the effect of the change on the various stakeholders and in this study a clear distinction was made between employees, managers, and top managers. As indicated in the results, the process and way of working changed for the business after the implementation of the change process. For employees, the work and how the work is carried out will change because the process will be fully digitalized. This will replace manual steps with automated steps. The customer experience changes for customers because digitalization makes it possible to communicate digitally with the business in addition to personal contact. In addition, digitalization will offer the customer more options online. For competitors, the implementation of digitalization by the business in question will result in a change in the market position they find themselves in because the business is enabled to meet market demands through digitalization. Finally, the change process that digitalization entails creates employment for suppliers because these parties are often specialized in certain capabilities that are often lacking within organizations.

### 5.1.3 "What opportunities are created by digitalization and how can they be used?"

There are many opportunities for the organization that are created by the change process. Digitalization brings the following possibilities: easier work, more efficient, more job satisfaction, nine-plus customer experience, more profitable, gaining market share, maintenance and further development and future-proof.

In this increasingly digital world, new business models are being invented and relationships between businesses and customers are being reshaped. Today, as a result of digitalization, there is a growing need for flexibility, agility and the ability to act quickly to seize opportunities in organizations across all sectors. The importance of putting advanced technology at the centre of all products, services and processes is emphasized by digital (Parida, 2018). Digitalization is considered one of the most significant developments that are changing business in both the short and long term. The trend brings changes within organizations in the form of the adoption of digital technologies. Digitalization is known as the “ability to convert existing products or services into digital variants, thus offering advantages over tangible products” (Parviainen et al., 2017).

The ultimate goal of this change process was the nine-plus customer experience. The expectation was that this goal would be achieved by being able to better meet customer needs through personal and digital services. It was also expected to attract more customers through better customer service, which would lead to higher returns and more profit for the organization. In addition, digitalization offered many opportunities for employees to work more easily and efficiently, which in turn would benefit employee satisfaction and job satisfaction. In addition, digitalization made it possible for the business to catch up with its market position again and for the business to grow sustainably, partly because the system was easier to maintain and therefore further development became easier. These insights confirm the theory and provide concrete insights into the possibilities of digitalization for a family business in financial services.

Although family businesses represent most businesses worldwide, the specific opportunities and challenges family businesses face in digitalization have received little research attention. According to Batt et al. (2020), such research is needed to gain more insight into modern family businesses. This would make it easier to advise and guide family businesses in managing digitalization processes. As previous research shows, there is some reluctance among family businesses when it comes to embracing digitalization. Therefore, there is a demand for more research into the specific characteristics of digitalization in family businesses (Batt et al., 2020). The literature is still limited on the effect of the digitalization process in family businesses in the financial sector. This sub-question has contributed to the existing literature by answering what opportunities are created by digitalization at a family business in financial services. In addition, this sub-question and research contributes to existing theory by providing a model for the implementation of an organizational change such as digitalization for a family business in the financial-services sector. Based on the results, the model below was created.

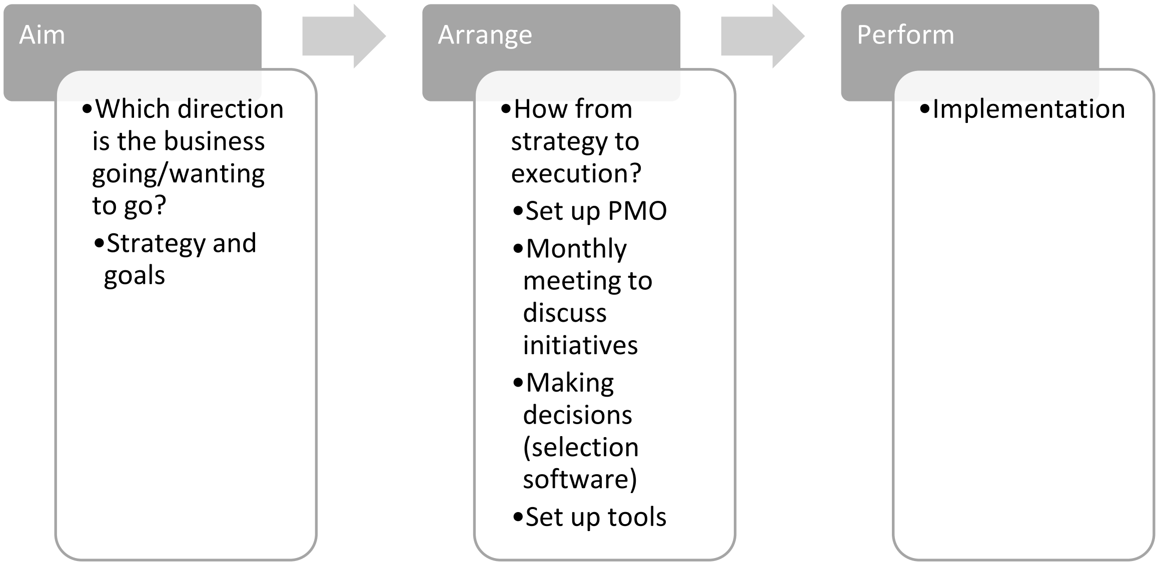


*Figure 20: Change model based on results*

The model based on the research results is limited because it is based on how the business currently deals with change processes. Among other things, several strengths and points of attention are missing from Sub-question 4.1. And in addition, it has not been considered how the various stakeholders are influenced by digitalization nor how they can best be included in the process. This does not create urgency and ensure that people are ready for the change. In this way, any resistance is not identified or not identified in a timely manner. In addition, no time schedule is made with measurable delivery moments, so there is no concrete plan. Furthermore, communication towards people has not been considered, which means that people may not be included in the change. There is also no test phase with training and coaching and the system is not maintained and further developed after implementation according to the above model. The above model largely matches the well-known change models such as Lewin's three-step model and Kotter's 8-step model. But because these models are old, they are too superficial and are not relevant or comprehensive enough to help the business implement digitalization. This requires a more detailed and recent model. By combining the research results and the models in the theoretical framework, the following model was created to implement digitalization among a family business in financial services:

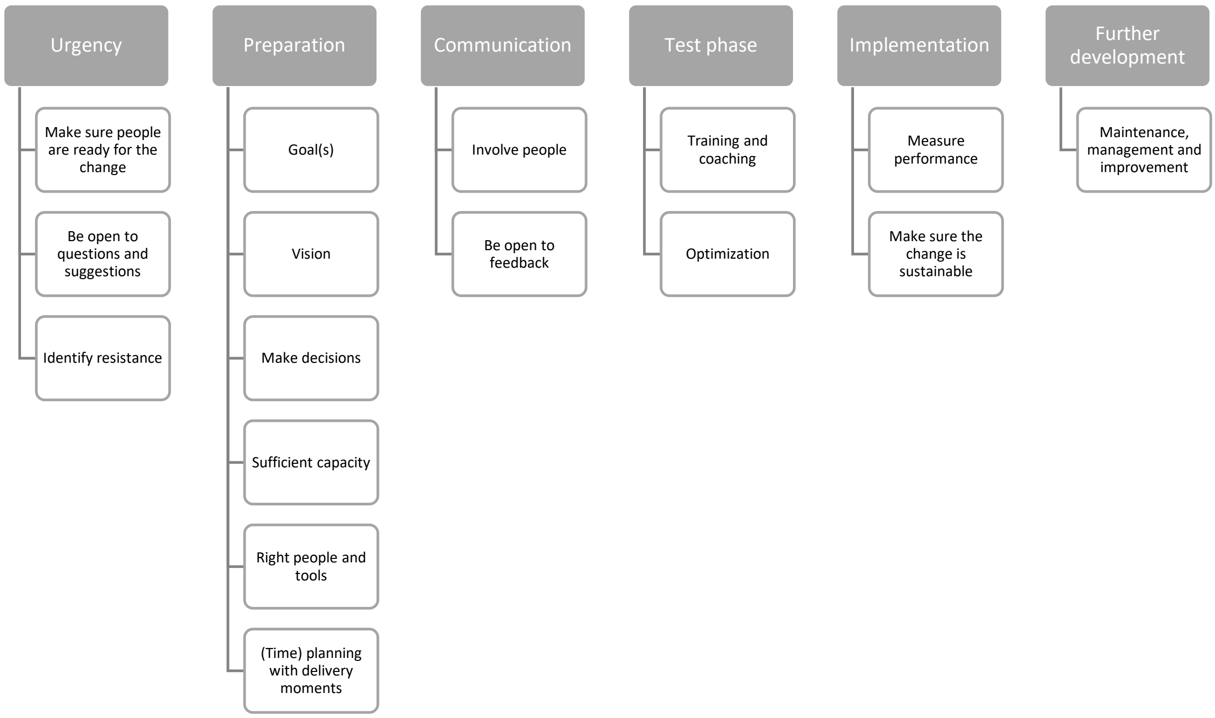


*Figure 21: Change model*

This model is similar in structure to the ADKAR model but differs in content and structure in various areas. For example, the ADKAR model does not pay attention to creating urgency and to maintaining, managing, and improving the system after implementation. This model considers the points of attention and strengths of the organizations business process. In addition, how stakeholders are influenced and how they should therefore be included in the change process has been considered. Because the model is described in phases, with the actions required per phase to successfully move to the next phase, this model offers an extensive step-by-step plan with measurable action points. This model can therefore guide the business through an organizational change such as digitalization.

## 5.2 Practical implications

The case-study business can use the results of this research to guide them in their digitalization and organizational change process. In addition, the results of this research can provide advice for family businesses undergoing similar processes. The results raised several implications about how the business can use the model (Figure 21). Based on the model (Figure 21), the following roadmap was created to visually represent the phases and sequence of the model. Implications for each phase are described based on this roadmap.


*Figure 22: Roadmap of model*

First, the business must create urgency as to why the change is necessary. The organization must ensure that the people within the organization are ready for the change and the organization must be open to questions and suggestions. The organization must also identify resistance at an early stage to prevent unrest in the organization. If resistance does arise, the Knoster Model (Appendix C) recommended by a top manager can be used to identify where the resistance comes from and to guide the person in question to overcome the resistance.

Then it is time for preparation, which is an important step in the model that should not be rushed. During the preparation, the plan is made and concretized. If the plan is in place and implemented properly, there is a good chance of a successful change process. The goal(s) and vision must be elaborated during the preparation. In addition, all options for meeting wishes and needs must be mapped out, and a choice that best suits the desired situation must be made. Once the choices have been made, the organization must ensure that the organization has sufficient capacity to complete the change and that the right people and resources are involved in the process. Furthermore, during the preparation, the organization must make a time schedule with fixed delivery moments so that progress can be monitored during the process.

Once the preparation has been completed and the plan for the change is in place, it is time to communicate the change with the people in the organization and to inform them about, for example, why certain choices have been made. It is important that there is regular communication about the status of the change process to keep people enthusiastic and involved. In addition, the business must be open to feedback, concerns, or doubts. Communicating after the preparation, or when the approach is concrete, ensures that people immediately have something tangible and that they do not have to wait long before something happens.

Once the change has been developed, it is time for the testing phase. Herein, the developed systems are tested to see whether they produce the desired effect. In this phase, the system is also optimized so it is ready to be implemented. Once the change has passed the testing phase, employees must be trained and coached so they are ready for the implementation.

The change can then be implemented. Now the performance of the change can be measured, and it is important that the organization ensures that the change is lasting by keeping people motivated and enthusiastic.

Finally, the system will have to be maintained, managed, and continuously improved. It is important that the business does not stop after implementation and continues to develop. During the entire change process, it is important that attention is paid to the people side of the change and that a positive attitude is maintained.

## 5.3 Limitations and Future Research

As in other scientific studies, this study had limitations. Firstly, the research was specific, and the focus was on the implementation of digitalization at a family business in the financial-services sector. This made it unlikely that the results of the study would be generalizable to other organizations. Although the results provide specific insights that can be useful for other businesses with similar characteristics as those of the business where this research was conducted, a future study could explore a similar topic but in other sectors. In addition, this research was conducted among one family business in the financial-services sector, and family businesses are different from non-family businesses in several aspects. It is therefore logical to conduct follow-up research into digitalization and change processes in other, non-family businesses.

Second, this study was conducted while the business was still in the middle of the change process. Therefore, it is unclear whether the findings would have been the same had the research occurred earlier or later in the change process. As such, future research could employ a longitudinal study to encompass the different phases of the change process.

Thirdly, due to the time limit of the research, the change process of only one department within the business was examined. This department was one of the forerunners in the businesses change process. However, it is advisable to conduct follow-up research in other departments, as the findings may be different there.

Fourth, twelve people within the business were interviewed, and no external parties were involved in the research. Although it is believed that the right people were involved in the research, further research could investigate a larger group and could involve external parties in the research.

Finally, future research could consider conducting a quantitative study on this topic, as the current study is qualitative.

# 6. Conclusion

This research aimed to provide a model suitable for implementing organizational changes – specifically, digitalization – among family businesses in the financial-services sector.

The findings show some critical points of attention in the organizations business process. The importance of thorough preparation, rapid decision-making, realistic (time) planning, appropriate allocation of resources, effective communication, and extensive training and coaching opportunities are emphasized in this study. The importance of these aspects in the business process is confirmed by several well-known change models. In addition, the results show the transformative impact of digitalization on the various stakeholders. This impact made it clear that, in addition stakeholders influencing a business, they are greatly influenced by the business's choices and actions. Moreover, this study emphasized the aspects of digitalization.

Furthermore, the findings show that the model based on the research results is limited. This model largely corresponds to certain well-known change models, but because these models are dated, they are too superficial and are not relevant or comprehensive enough to help the business implement digitalization. This requires a more detailed and recent model. This is why Figure 21 is described in phases, showing the actions required per phase. This model offers a comprehensive step-by-step plan with measurable action points. This model can therefore guide the business through an organizational change such as digitalization.

This research has resulted in a model that provides family businesses in financial services with guidance for implementing digitalization.

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# 8. Appendix

## 8.1 Appendix A: Semi-structured interview guide

1. Previous questionnaire

| Participant | Age | Gender | Position | Years of experience in current position | Department | Consent |
|---|---|---|---|---|---|---|
| E1 | | | | | | |
| M1 | | | | | | |
| TM1 | | | | | | |
| … | | | | | | |

2. Questions

2.1 Introductory questions

2.1.1 Could you tell me something about your job function?

2.1.1.1 what is your role in the digitalization implementation process?

2.1.1.2 What effect do you think the digitalization process will have on your job?

2.1.2 What do you think of digitalization?

2.1.2.1 Which are the motivations that have brought to the initiation of a digitalization process?

2.1.2.2 Which digital technologies are (going to be) developed by the business?

2.1.3 Which are the main challenges that the business has faced/have to face during this process?

2.1.3.1 Was/is there some form of resistance from the people during the process?

2.1.3.2 How does the business deal with (such) resistance?

2.1.3.3 How can people express their concerns or doubts and how are they heard and answered?

2.2 Main part

2.2.1 How were the changes communicated with you?

2.2.1.1 How do/did you experience this way of communicating?

2.2.1.2 And why?

2.2.2 What is/was your biggest concern?

2.2.2.1 How do/did you deal with your concerns? Do/did you communicate your concerns?

2.2.2.2 And why?

2.2.3 How have you been tried to convince that the change is necessary?

2.2.3.1 Why do you think now is the right time to initiate digitalization in the business?

2.2.3.2 How do people react to the change?

2.2.4 What is, according to you, the goal of the change?

2.2.4.1 Do you find the change goals realistic? And why?

2.2.4.2 How can the achievements and progress be measured both during the process and after the process?

2.2.5 What training and coaching opportunities does the business offer regarding the change?

2.2.5.1 Do you think the right people and tools are involved in the process? And why?

2.2.5.2 Are the right systems in place to support the change? And why?

2.2.5.3 Does the organization have the right talent to make this change? And why?

2.2.6 What will be the impact of this change implementation on you and your team?

2.2.6.1 How are you being involved in the change?

2.2.6.2 How can you give feedback/express your concerns and what will happen when you do?

2.2.7 What challenges do you expect during the implementation process?

2.2.7.1 What is your opinion about the implementation of digitalization right now?

2.2.7.2 Are there still any concerns? If yes, what are the concerns?

2.2.7.3 Why do (or don’t) you believe in the future of this change process?

2.2.7.4 How do you expect the business and employees to sustain the change once implemented?

2.2.8 In your opinion, what would you do differently in implementing the change?

2.2.8.1 How would you do it differently?

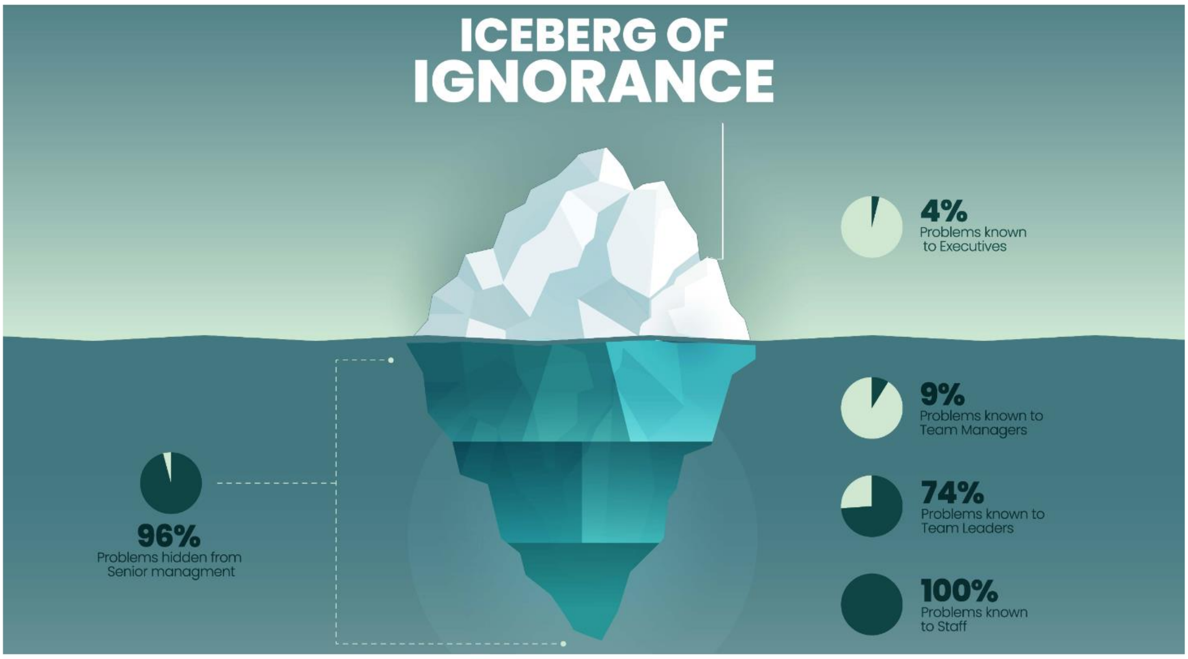
3. Candidate questions
    a. Are there any questions that you want to ask me?
    b. Is there anything left you want to add to the conversation?

4. Reflection
    a. What effect did the questions have on you?
    b. Where there any difficulties understanding the questions?

5. Wrap-up

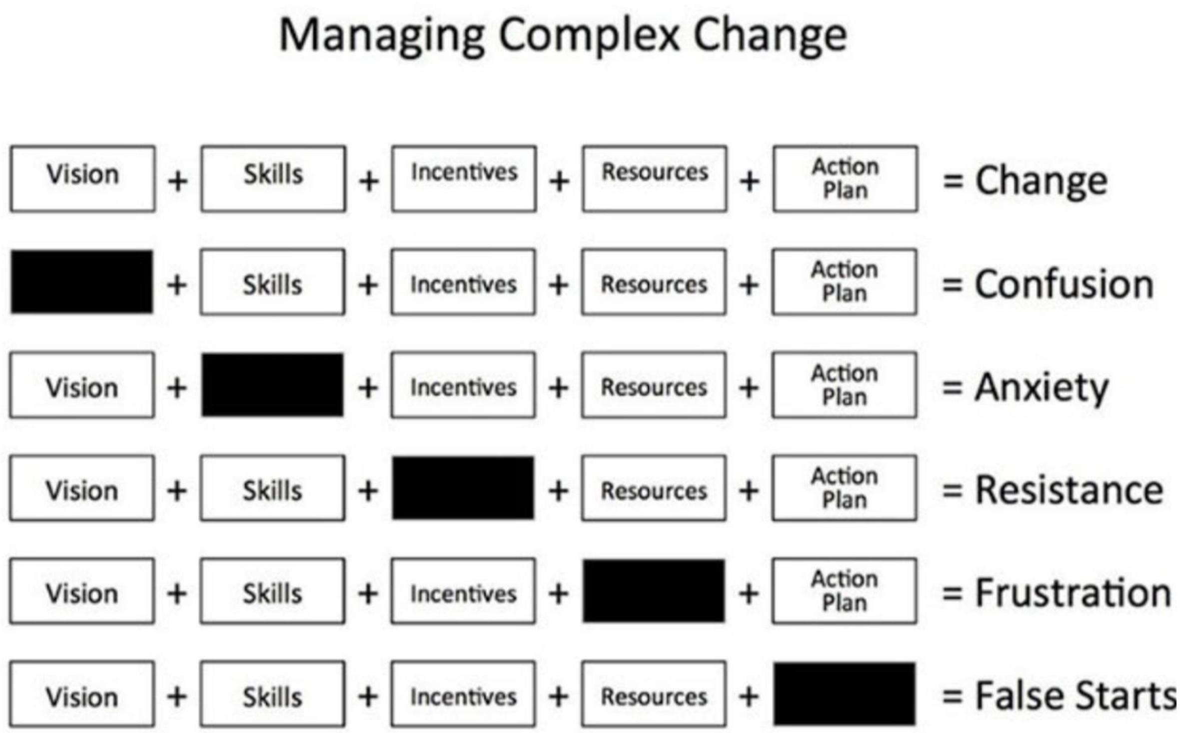
Thank you again for taking part in this interview. The interview will be transcribed, and the results will be kept private and anonymous.

## 8.2 Appendix B: The iceberg of ignorance




(Grennan Jr., 2013)

8.3 Appendix C: Knoster Model




*Note:* https://www.linkedin.com/pulse/lippitt-knoster-model-romano-kreutz.