

Alberta Business Recovery

Laying the groundwork for what comes next, both at home and abroad.



Tech is an enabler of disruption—and the path to Alberta’s recovery

Digital technology has transformed how business gets done for decades. Most recently, the COVID-19 pandemic has shown Alberta companies—and entire industries—the power of using tech to re-think how value is created throughout organizations. Leaders are taking notice. [According to a recent report](#), 75% of Canadian executive officers believe the ability to deliver reliable tech-enabled services and experiences at scale will grow in importance over the next five years.

In Alberta, leaders are starting to shift their focus from pandemic survival to post-pandemic recovery and success. ATB and MNP’s [comprehensive content series](#) explored challenges and opportunities first discussed at the Alberta Economic Recovery Summit in December 2020 in seven key sectors, including [agriculture](#), [aviation and logistics](#), [energy and cleantech](#), [financial services](#), [petrochemicals](#), and [technology and data](#).

The series revealed each sector has reason to be optimistic. In agriculture, opportunities for growth lie in combining value added services with carbon offset programs, nurturing the agritech sector and bridging the existing capital gaps that slow down economic growth. For aviation and logistics, it’s clear that embracing digital is a necessity as ecommerce growth drives continued demand beyond the pandemic. The energy industry faced challenges years before the pandemic, which has compounded difficulties for many companies. The result of these harsh realities has made energy companies more resilient, efficient and better positioned to outperform expectations in the years to come. Meanwhile, the petrochemicals sector presents an opportunity to diversify Alberta’s economy. While financial services did not experience a pandemic-related downturn like other industries, it’s future is being reshaped by digitization.

The key insight across all of the sectors is the need to embrace technology to unlock transformation in order to grow and evolve. Be it an ecommerce platform for retail or a carbon-offset solution in energy, technology

enables layers of disruption throughout industries while at the same time creates added value for companies and allows for net new economic growth to the economy.

“The big recurring theme is that technological change is reducing barriers and making things like starting and running a company cheaper,” says Martin Toner, Director, Institutional Research, Growth and Innovation at ATB Financial. “Technology is being applied to traditional industries to create value throughout the economy, which is creating winners and losers but also new markets and business.”

Ottawa-based Shopify is an example of a company built on disruptive technology that enables other companies to more easily and cost-effectively create even more transformative tech. In 2020, its impact was underscored as the pandemic upended markets around the world, yet the network of merchants on the platform provided economic resilience. Globally, there have been 3.6 million jobs created by [Shopify merchants, according to Shopify’s Economic Impact Report produced by Deloitte](#). It estimates more than \$307 billion in global economic impact from merchants on Shopify. In Canada, Shopify says it has created \$18 billion in economic activity along with 123,574 jobs — the equivalent of one in every 146 full-time employees in Canada.

In Alberta, the application of technology to create value began years ago during the oil price downturn, says Sean Devin, National Managing Partner for Technology Solutions, MNP. “Business leaders started to talk about how to become lean, more optimized and digitally enabled. Then the COVID-19 pandemic accelerated that tenfold. All of a sudden, digital was a basic necessity to be able to do business. The world has never before seen as much digital transformation and technology adoption as it has in the last year,” he says.

Industry leaders looking to successfully navigate the post-pandemic recovery must recognize—and embrace—the transformative opportunities technology offers both within their own companies and their industries. It demands more than adopting the latest tech. This opportunity requires a different approach to leadership, prioritizing people throughout the process, an awareness of the risks, and a clear strategic vision from the top.



Leading through disruptive change

To successfully usher in a technology-driven business transformation, a new approach to leadership is required.

Chris Murray, Managing Director, Institutional Equity Research, ATB Capital Markets says it starts with leaders paying attention to technology trends and asking themselves how they can apply these innovations to their businesses. “Where is your business case? How are you using digital to accelerate your recovery? You better be prepared to deal with digital and the changes it brings. Digital tech is table stakes and the trick is you have to go do it now,” he says.

Devin says one of the things c-suite leaders struggle with the most during transformations is leadership confidence. Developing leadership confidence around technology disruption isn’t about the CEO



becoming a technology expert, he says. “It’s about understanding what makes your organization work, what your levers of success are, the human impact of change in your company, and being able to identify other impacts of a potential technology implementation on your customers, partners and suppliers,” he says.

With this knowledge, a senior leader can create a vision and strategic direction for the organization to move forward. This vision and strategic direction will inspire confidence and belief throughout the company by answering why the organization is embarking on a change and outlining the intended outcomes. “If the leaders don’t believe in the change you’re going through, teams will never get on board,” he says.

Devin adds that this kind of wholesale transformation should not be the sole responsibility of one person. “As a leader, their role is to set the vision and strategy and then assemble a team of like-minded people to help carry this out—both internal teams and external expertise. You can’t take this all on yourself. No one knows everything, so you need to bring in different levels of expertise, ask for help and collaborate. Humility is a pretty important piece through this. It isn’t easy. If it was, everybody would do it,” he says.

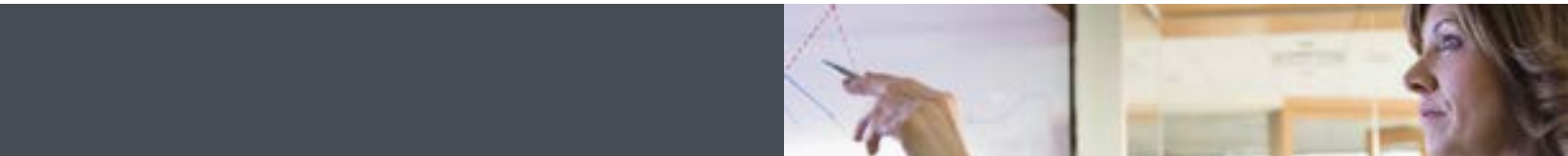
One of the biggest—and most expensive—failure points Devin sees is when leaders often overlook using the opportunity of new technology to radically transform how their business works.

“A lot of organizations buy a new technology and customize it to operate how their business used to work. However, the business was not as efficient as it could be before and they’ve just replicated that. They’ve taken all the value out of the technology instead of thinking about how to fundamentally change the business and unlock optimizations,” he says. “So when you’re starting an implementation of technology it’s about really understanding the outcome you’re trying to achieve, the value the tech can bring and creating new business processes and results around it.”

ATB itself has experienced the power of a transformative tech. In 2017, it began the transition from Microsoft Office to G Suite, an evolution that was made in large part to support team members who wanted to work remotely and address the challenges of real-time collaboration and technological roadblocks when teams are distributed.

Instead of forcing the change from a leadership level, ATB rolled out G Suite to waves of early adopters, which was about 15% of the company. As word spread and demand for the new tools grew, ATB invited team members from across the organization to join this major transformation project, forming a 50-person team known as the G Evangelists. After participating in a week-long bootcamp, the group was deployed to help ATB's whole 5,000-person team across the province adopt and master the new tools available to them.

Upgrading ATB's technology elevated the work culture across the entire company, enabling a better client and team member experience. When the pandemic lockdowns started, the benefits of this rollout were abundantly clear. The move over to G Suite enabled 98% of corporate office team members, along with a significant number of branch-based employees, to move into a work-from-home environment in less than two weeks.



People are more important than the technology

Technology has the power to fundamentally transform a company, yet, without enthusiastic employee support and engagement, most efforts will fail. "Technology is a tool. You can buy the most advanced system in the world, but if you haven't educated your employees on why the company made this investment, and if you haven't trained your people on it, you'll face challenges," says Devin.

These kinds of strategic initiatives demand a proper change management plan. "Technology is a complete mind shift for organizations, so there's a lot of work that has to go into getting employees to buy into the shift and many organizations skip that step," he says. "When you understand what your strategy and your vision are you know what you're trying to achieve. From there, you have to make sure you've got the right people that are going to be able to support and enable that."

When it comes to technology and people, there are four key areas to pay attention to:

- 1. Build the right teams to drive the transition and support them:** For many leaders looking to build teams for tech transformation, one key worry is the experience level of employees and leadership within the company, says Robert Roach, Deputy Chief Economist and Managing Director at ATB Financial. "Does your team have the training to actually use the tech in an effective way? How do I know my team has the actual skills for the change? Leaders must pay attention to both the tech requirements but also the human resources needed to make it work," he says.

MNP's Devin says this starts by creating teams that align with your strategic plan and vision for the organization. Create teams throughout all levels of the company to execute the vision and empower them to get it done. "A common problem is that leaders will assume people don't want to change, but if you give them an opportunity to understand and contribute you'll discover people want to do the right thing and help out the organization," he says.

Don't forget the importance of training. New technology requires both upfront and ongoing training for employees and any new hires.



- 2. Establish new processes:** A new vision for the business will require new ways of completing tasks. This means developing processes that ladder back up to the vision for the company, then ensuring teams are trained to follow the new processes. Without this, you risk not capitalizing on the promise of the new technology because people are not using it correctly or in a way that drives true value.
- 3. Communicate throughout the transformation:** When a company is undergoing a major transition, it can be anxiety inducing for employees who will naturally worry about their roles and job security.

The best way to address this is simple, says Devin, communicate regularly. Make sure to tell your people about the transition plan, solicit their feedback on processes, ask how things are impacting them and be explicit about what is in it for them.

“People make assumptions in the absence of information and assumptions generally go to the worst case scenario. Often it’s about taking that extra step to have conversations about the strategic direction. It becomes an alignment conversation and not a technology one. You’re giving them an opportunity to add additional value by applying their experience and knowledge in a different way that will be more successful for the company and ensure their career growth and longevity,” he says.

- 4. Finding and recruiting experienced talent:** When existing teams have talent gaps, it’s necessary for companies to hire experienced people. But it can be a challenge to attract the employees to jobs in industries with reputations for being traditional, or in remote or rural locations. “We need to be able to attract our youth and show them what the opportunities are,” says Jon Neutens, Vice-President, Agriculture, ATB Financial. “The jobs need to be attractive and pay well too.”



Technology introduces new risks

In addition to shepherding your people through a disruption of your organization, leaders must plan for other practical—and significant risks—of being a tech-enabled company. “As much as technology is an enabler, there are risks with it because many companies will install technology but don’t understand all the things you must do to maintain it,” says Devin

One of the often overlooked parts is compliance. Each industry will have different, ongoing requirements for privacy, data collection and storage and payment management. Companies must ensure they stay on top of it or risk reputational damage.

“You must be aware of what your responsibility is as a business owner because if you collect client data, your company is now accountable and responsible to protect your clients’ information. Not being compliant can mean millions of dollars in fines,” he says. “Then the other side of it is reputational. You want customers, employees and the industry to have the confidence that you can actually run a successful and secure business.”

The other critical risk for companies is cybersecurity. In 2020, the average total cost of only a data breach for Canadian companies was \$5.4 million, according to a [Poneman and IBM Security report](#). It also found that 42% of Canadian data breaches were caused by malicious attacks, 35% from a system glitch, and 23% from human error. From complex phishing attacks to direct attempts at hacking, technology creates a massive amount of exposure for an organization and your employees are your biggest vulnerability. To combat this, companies must establish regular and ongoing processes to train employees on how to spot and protect against cybersecurity risks.

Start your disruption journey

Companies typically begin a tech-enabled disruption in one of three ways, says Devin.

First, an organization knows they have an acute problem and want technology to solve it. For example, a company may need to introduce a new kind of payment method or type of delivery to their ecommerce platform.

The second is when leaders have a conscious awareness that they need to optimize a part of their business, like improve cybersecurity, move to the cloud, or deepen their understanding of their customers with a customer relationship management (CRM) platform.

Lastly are those organizations looking not just to solve a problem but to fundamentally transform their business or industry. These companies want to look at their businesses end-to-end to modernize or disrupt or create a new competitive advantage within the marketplace.

In all cases, Devin says leaders should step back and deeply understand what the problem is and what the opportunities are before moving forward. Before you begin booking technology demos with vendors and negotiating pricing, start with these three steps:

- **Create a strategy and vision:** Map out what you want to achieve with the technology and clearly articulate what the outcomes are for the business. This critical step will help align teams to one goal and provide a way to guide decision making at all employee levels from choosing tech vendors to shaping new internal processes.

- **Define requirements and get buy-in:** With the vision in place, you can outline what your requirements are for success, which in turn starts to reveal what actions are needed to achieve each one. For example, the senior leadership team might want to track a specific set of metrics for success, so the technology solution must be able to collect that data and employees must learn how to analyze and report on those metrics.

With the requirements outlined, be sure to get alignment from your teams to avoid missing important elements, uncover possible challenges and get organizational buy-in, says Devin.

- **Determine how to sustain this change:** Leaders must plan for how the organization will sustain the investment in technology-enabled disruption, including the ongoing operational and maintenance costs, security risk mitigation work, and employee communication and training needs.

Remember, technology itself is only an enabler. It enables your vision. It enables your strategy. It enables your people and your processes.

“When you’re looking at changing and disrupting your business, the easiest part is the technology because it will do what you tell it to. Without the people and processes lined up to strategy and vision, none of it works,” says Devin.

For Alberta’s recovery, technology will play a fundamental role across all industries. To keep the economy growing and increase diversification, companies must continue to look for new opportunities with technology and innovations spurred on by it, says Roach. “This doesn’t happen overnight. It is a long-term play and Alberta is working hard to make it happen,” he says.



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