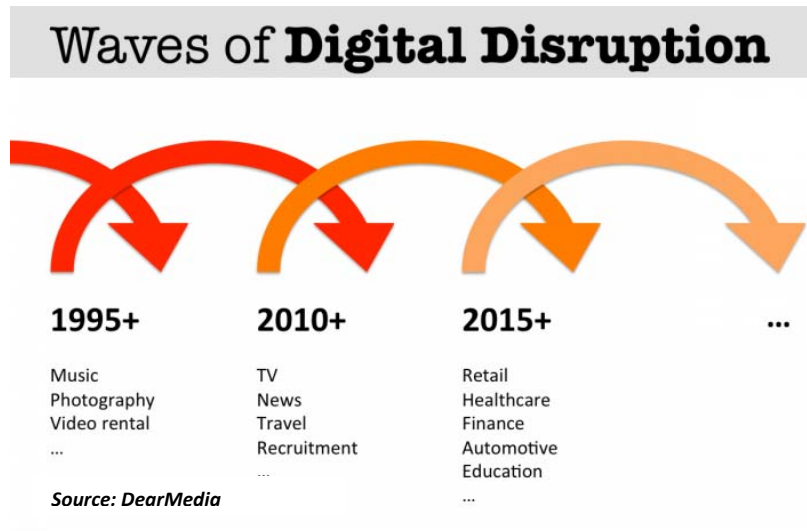


Digitalisation: Time to Reinvent (Feb 2017)

by Hamedy

The age of e-commerce had arrived, and giants like Amazon.com and ebay.com were at the forefront of this movement. E-commerce offered us millions of choices, and it gave us the liberty to make our choice right from the confines of our homes. While that definitely was a great step, the next wave of the Internet made things even better through immersive experiences and by connecting us to the rest of the world through social media. The next wave focuses on 'Digital Disruption' or the process of digitalisation that businesses and SMEs are actively pursuing.



According to McKinsey on Digital Banking in Asia, customers have been spoiled! Thanks to companies such as Amazon and Apple, customers are now expecting every organization to deliver products and services swiftly, with a seamless user experience. This creates new challenges to traditional organizations and as a result, startups born in digital age can step in and disrupt the market through more effective and efficient delivery of digital products and services combined with advance algorithms and full access to information.

Apart from creating new challenge to all sorts of organizations, digitalisation or the use of digital technologies also changes business models and provides new revenue and value-producing opportunities for the organizations that are ready to adapt the changes. To meet these high customer expectations, companies must accelerate the digitalisation of their business processes; however, they should go beyond simply automating an existing process.



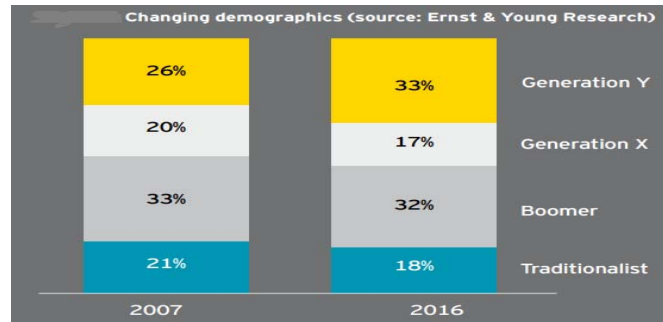
They must reinvent the entire business processes including cutting the number of steps required, reducing the number of documents, developing automated decision making, and dealing with regulatory and fraud issues. Operating models, skills, organizational structures, and

roles need to be redesigned to match the reinvented processes. Data models should be adjusted and rebuilt to enable better decision making, performance tracking, and customer insights.

McKinsey research in personal financial services shows that Asian consumers are becoming more and more comfortable with using mobile and internet channels for banking services, with their use increasing on average more than 35% in the past three years.

Digitalisation for Small and Medium Enterprises:

Generation Y already represents over a quarter of the world's population and the proportion is growing as shown. Gen Y plays a major role in accelerating the emergence of a new digital world. It will not only be among the most powerful consumers in history as they enter the workforce, but also their impact will be equally impossible to ignore. Generation Y's expectations are being formed by the technologies they surround themselves with.



What do SMEs say about digitalisation?

- Changing customer expectations and behaviour - increased demands on speedy feedback and engagement
- Situational analysis – more complex than before
- Changing business models of Old ICT systems – not in touch with user demands
- Lack of skills to manage the transformation

SMEs are key actors in providing innovation but to stay at the edge of the market is not a simple process. It requires many factors to come together: ideas, competencies, funding, willingness to take chances and good knowledge of what clients want. To gather all these elements together is not just a matter of financial means: it also requires participating in networks that can provide access to a new skill set and a common vision for the way society and the economy grows.

In the age of interconnectivity, innovation is delivered through collaboration. The participation and collaboration by SMEs and multinational companies is a good way in which both can work together and learn from each other.