



Standing (L-R) Deep Thomas, Aditya Birla Group; Ruchi Jangid, SOFC; Sunil Jose, Salesforce India; Anshu Kapoor, Edelweiss Private Wealth Management; Tushar Vagel, I&T Realty; and Deepak Sharma, Katak Mahindra Bank
Sitting (L-R): Varun Srivastava, Sharekhan; K.M. Nandish, Equifax; Anuja Agarwal, Sanofi; Anshulatha B. DHFL; Prasanna Sarambale, Sterling & Wilson; Ritesh Pal, YES Bank

Riding the Digital Wave

Is digital about technology or strategy? Are we heading right towards the digital goal? How has the fourth industrial revolution impacted our businesses? Should services be customized to the last mile? These were some questions raised in a roundtable discussion in Mumbai where industry leaders joined forces to brainstorm and get a fix on the opportunities and challenges.

Nishita Chendak@timesgroup.com

When heading towards an era where technology isn't just supporting businesses, but defining them and creating new business models, the constant change in business technology shows no signs of slowing down, presenting challenges to organisations across the world. As a leader and executive, what changes will have the most impact on your business and how can you best prepare to meet them? What will be the impact of Industry 4.0? These critical questions were explored in a recent roundtable discussion, conducted by The Economic Times and Salesforce, among a group of leaders in Mumbai. The discussion was moderated by Anish Bhattacharya, Senior Editor of The Economic Times.

Statistics say that around 40 per cent of today's jobs will be gone in the next 10 to 15 years. They'll be automated. But the point to understand is that technology is supposed to boost productivity, not cut the workforce. The first two industrial revolutions were machine-driven - steam-powered mechanical production, and electrical power propelled production. The third revolution was shaped by advances in electronics and IT. The fourth industrial revolution, or Industry 4.0, is powered by advanced digital technologies such as analytics, artificial intelligence (AI) and the Internet of things (IoT), among others. And all the panelists agreed that this one would have far greater and longer-lasting impact on businesses than ever before.

Anshu Kapoor, Head of Edelweiss Private Wealth Management started things off by pointing out that the fusion of the realms of biology, physical and digital will make Industry 4.0 the most inclusive revolution. It will create the kind of dramatic change, and at such speeds, that have not been witnessed earlier, and will have a profound impact on the global economy and on organisations. "Most definitely, what you will end up creating will be far bigger and perhaps far more different than we are imagining today," he said.

Seconding him was K.M. Nandish, Managing Director and India Country Leader of Equifax, who further added that along with the profound changes, there are certain near-term impacts that we are seeing. The fact that new digital businesses are disrupting the traditional companies has forced the latter to invest more than perhaps necessary in order to protect their turf.

That would impact profitability of both in the near term, but would bring larger benefits in the long term. Taking the discussion thread forward, Deepak Sharma, Chief Digital Officer of Katak Mahindra Bank said that eventually all businesses will become consumer businesses. And the biggest challenge would be that there will only be few winners because eventually the power will get concentrated in the hands of a few organisations. These organisations would be able to leverage the complexity of the business which is at the back of data, technology, customer experience, design, massive scaling up and ability to raise capital in a short span of time. He cautioned that this would be nothing similar to what we have seen so far.

The digital revolution is also seeing interaction between machines, unlike earlier, which has its own impact. "When machines start interacting, not only are you institutionalising the knowledge, but the scale with which the knowledge can be deployed through training, algorithms, etc., could give a level playing field to everybody," said Deep Thomas, Group Chief Data and Analytics Officer of the Aditya Birla Group, adding that in the future, organisations with data will be superpowers. "Organisations that have the ability to mine and harness data, and which are bringing technology into the forefront to bring in innovation and design thinking, are the ones that will excel," said Thomas.

Tushar Vagel, COO of I&T Realty believes speed is of the essence in Industry 4.0, pointing out that earlier big fish would eat the smaller ones, but now the fast fish will eat the slow fish. "It doesn't matter how big you are; if you are slow, you will be eaten up by somebody. So, technology is the only hope which can help you speed up, and if you don't use it, you are not going to be anywhere," said Vagel. Adding to this argument, Ruchi Jangid, Vice President of E-Commerce at SOFC, talking about the travel industry said, "Standardisation, data and technology are enabling transparency in the whole ecosystem." Jangid also felt that the new digital technologies are decentralising control, pointing to Blockchain technology as an example. Such decentralisation would have profound impact on societal and organisational behaviour.

So, digital is here to stay. And for companies, especially legacy companies, to leverage digital right needs a strategic framework. But do organisations know what is the right digital strategy? The panel, composed of different industry

leaders, discussed digital strategy, and how it absolutely needs to be aligned to the organisational goals and areas of improvement. And the most important point of discussion amongst the panelists was: strategy first, tech later; or tech first, strategy later. Sunil Jose, Senior Area Vice President & Country Leader, Salesforce India said that a lot of people think digital is about technology and that is the starting point of things going wrong. The resolution is all about thinking and strategy. He said, "Digital strategy not only allows us to look at talent, process but also the customers of the future. And that's where strategy starts coming in."

Barbing Jose, Prasanna Sarambale, CEO of Data Center and Group Head of BD at Sterling & Wilson, said he believed in goals and strategy first. He said, "Organisational goals first needs to be clearly identified and articulated with digital strategy, and then we would look at the technology and the processes."

In these times of great change, several organisations are working towards not just surviving the storm, but thriving in it. Going beyond your organisation to look for solutions is the trend that was given birth by disruption. Anuja Agarwal, Deputy Director - Digital & Customer Insights of Sanofi believes in real-world evidence. In the pharma and medical sector, it is about e-medical records and that is a big challenge in India because the sector is highly unorganised in this aspect. She shared that Sanofi is trying to leverage AI in order to create algorithms to capture doctors' data. Potentially, such algorithms can connect the knowledge of doctors not only in a nation but globally. This database of knowledge can then be mined for getting insights into possible future diseases for individual patients.

If there is anything that is checking the march of technology, it is regulation. Banking and financial services or BFSI industry, for instance, is heavily regulated world over, including in India. No wonder DHFL's CEO, Anshulatha B., calls her company 'digital' because DHFL continues to use a combination of digital and manual process for their new business of housing loans. She said, "Unless the government changes some of the laws and terms, we won't completely be able to use digital technologies." The reverse argument came from Ritesh Pal, Chief Digital Officer of YES Bank, who said that industries might face regulatory challenges, but customers don't particularly care. They want

solutions and they want them fast. Pal pointed out that India, which is poised to be the youngest country in the world by 2020, has a lot of millennials for whom the world is just a button or a click away. "Businesses have to create solutions to work around and meet customer expectations," said Pal.

In this era of disruption, new-age digital companies such as Amazon, Uber, Flipkart and Paytm, which have no legacy issues, act as catalysts in growth of young organisations. These young entrepreneur-driven organisations are adaptable to change and are immensely flexible, agile. They put customers first in both strategy and technology, unlike established organisations where the legacy and a certain way of operation acts as a hindrance in growth and change. So, businesses need to improve the customer experience, increase operational efficiency and respond faster to changing business environments.

Talking about Silicon Valley and how the developed nations are using the knowledge, talent pool, data pool and concentration of capital, the thought leaders in the discussion felt that India is nowhere close to creating a replica of Silicon Valley. The main difference is that countries like US are technology driven economy and India is still marching on that path, slow and steady, but rapidly picking up pace.

Shifting track, the thought leaders also deliberated on the need for boardroom teachings because a lot of what a business achieves stems from how its culture is nurtured. Varun Srivastava, Member of Board of Directors of Sharekhan Limited believes that boardroom is where the problem is. He shared, "The problem is that the junior-most person - who typically may have an idea, is born a digital native, and who has the creativity - is not able to express and get the resources. So, organisationally how you solve that is a very critical point." Edelweiss's Kapoor agreed, and said that conventional organisations don't have the unwillingness on technology and "boardrooms and the whole management committee need coaching on technology."

Undoubtedly, the digital age is going to change everything about business and even society, but for organisations, the key to getting ahead is the realisation that technology is just one part of it, possibly even the starting point. It's the change in organisational culture and thought process that will make the difference between the winners and the also-ans.

Quotable quotes



A lot of people think digital is about technology; that is where it starts going wrong. Think about process, enablers, about the organisation as an ecosystem where this journey has to start

SUNIL JOSE, Senior Area Vice President & Country Leader, Salesforce India



Boardroom needs coaching. The whole management committee needs coaching on technology. They are consumers of technology themselves, but coaching is necessary on how to deal with it in the business

ANSHU KAPOOR, Head, Edelweiss Private Wealth Management



The way we have gone about it is: there is digital ownership at the senior management and strategic level where once the strategy is defined, there are ownerships taken on grass-root level implementation

PRASANNA SARAMBALLE, CEO-Data Center and Group Head-BD, Sterling & Wilson



With sensors, you can capture every micro second of information, we have immense opportunity to reduce mortality rates and pilferage, improve supply chain, drive cost benefits

DEEP THOMAS, Group Chief Data and Analytics Officer, Aditya Birla Group



We are trying to leverage AI to create algorithms that potentially alert us about the patient's condition that could kick-in in the next 24 hrs

ANUJA AGARWAL, Deputy Director - Digital & Customer Insights, Sanofi



The good news is for those who can move at a much faster pace and try to disrupt their own solutions. The bad news is that change will happen, whether you are ready for it or not

RITESH PAL, Chief Digital Officer, YES Bank



Technology is playing a huge role in tourism. In the three years since e-visa came in, the CAGR of inbound foreign tourist flow is 15 per cent. Comparatively, the period from 2000 till before e-visa saw 5-5.5 per cent CAGR

RUCHI JANGID, VP-eCommerce, SOFC



Digital is used to run the business, and to embed it in the business and the product. Embedding IT into business is a unique opportunity that we have today

TUSHAR VAGEL, Head-IT, I&T Realty



Data that is available is immense; the key is to make sense of that data for decisioning. This industrial revolution presents a tremendous opportunity for data and analytics to power the decisioning of organisations.



The single biggest challenge is not on the technology front, but regulatory restrictions. It is very easy for me to



Your products, their journey, experience and design, need to have a pull. That's where banks and other industries are reorienting themselves



California is about 15 per cent of the US economy. Are we even close to building a California in Bangalore, Udhli or Mysuru? Maybe not yet. That's an important question for