

Be prepared for PNG's Digital Transformation

CPAPNG Lae Annual Conference

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Outline

1. What is Digital Transformation?
2. How is Digital Transformation possible in PNG?
3. How could Digital Transformation affect our business and work practices?
4. How can we embrace Digital Transformation and use it to our advantage?

What is Digital Transformation?

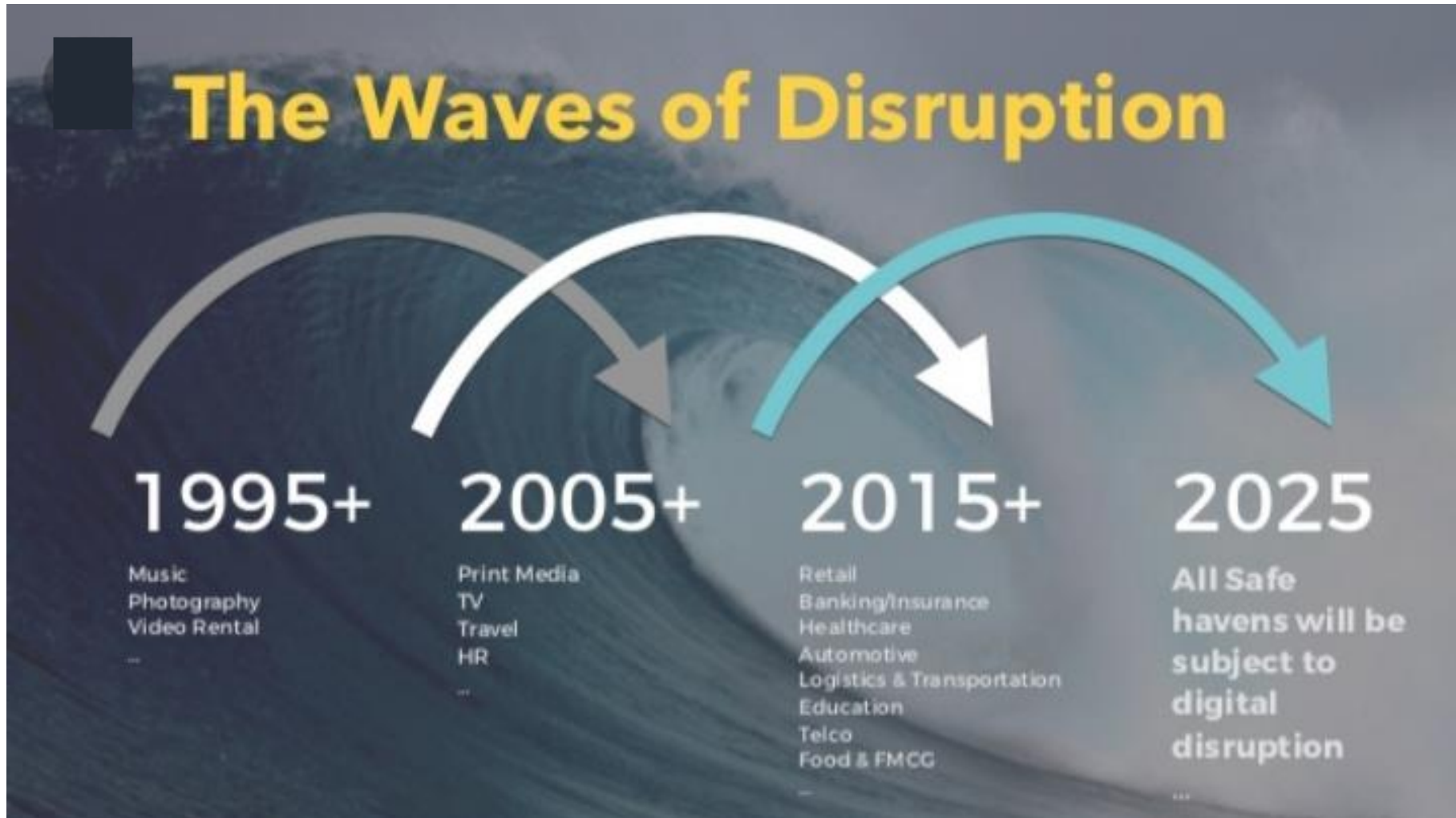


Digital Transformation is:

- a. Integration of Digital Technology into ALL areas of business, fundamentally changing how we operate and deliver value to customers.
- b. A Cultural Change that requires organisations to continually challenge the status quo, experiment, and get comfortable with failure.

Source: <https://enterpriseproject.com/what-is-digital-transformation>

The trend in Digital Technology



How is Digital Transformation possible in PNG?



Cloud Computing



Virtualization



Networks



Digital Platforms
& DRUPAL



Mobile, Web &
Business Applications



RPA,
Software Robots



User Experience,
Service Design



Design &
User Interface



Touch Technology &
Natural User Interface



Mobile Devices



Wearables



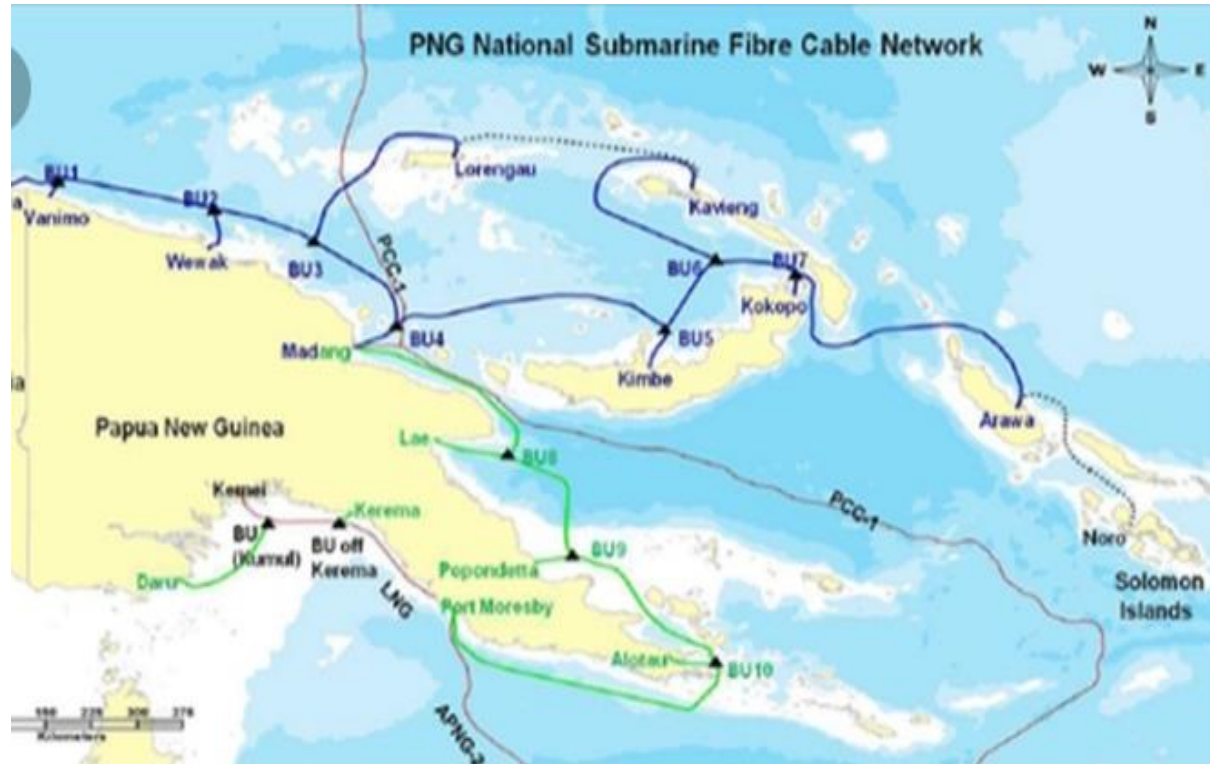
Connected Equipment

Infrastructure Underpinning PNG's Digital Transformation



- 4,700km submarine cable system linking Sydney to Port Moresby and Honiara.
- Delivers faster, cheaper and more reliable communications infrastructure.
- Significant economic and development opportunities for PNG and Solomon Islands

Infrastructure Underpinning PNG's Digital Transformation



Kumul Submarine Cable

- System 1 – Jayapura to Arawa
- System 2 – Madang to Pom
- System 3 – Daru to Kerema
- Improve internet access to users in coastal parts of PNG.
- **Highlands Fiber Project**

Infrastructure Underpinning PNG's Digital Transformation



Data Center

- Store and Process Data
- Replace entire Wide Area Network

How could Digital Transformation affect our business and work practices?



Is the Future of Finance New Technology or New People?

Building the future finance function: technology plus people

Technology

Automating the future

65%

of respondents say that standardizing and automating processes and building agility and quality into processes will be a significant priority for tomorrow's finance function.

State-of-the-art tech

58%

of respondents say combining state-of-the-art technology with process improvement will be a major focus for the future finance function.

People

Focus on partnering

67%

of respondents believe that improving business partnering between finance and the business is a major priority.

New skills

57%

of respondents say that building skills in predictive and prescriptive analytics is critical for the future.

Five Key Technologies Changing Work Practices

Technology innovations are creating opportunities to enhance insight, reduce risk and increase efficiencies:



Advanced data analytics and forecasting



Robotic process automation



Cloud and Software-as-a-Service (SaaS)



Artificial intelligence



Blockchain

Advanced Data Analytics and Forecasting

1. Advanced Data Analytics and Forecasting

The value to the Organisation

- **Improve ability to predict outcomes** – and manage strategic risks – through scenario analysis and forecasting
- **Better understand the financial impact** of key strategic and operational decisions
- **Provide better and faster information** to key stakeholders, from investors to supervisory boards
- **Improve enterprise performance measurement** by combining financial and non-financial data

Current Market Activity

Active take-up – most organisations globally have made dedicated investments and are committed to using advanced analytics across decision-making processes.

Robotic Process Automation (RPA)

2. Robotic Process Automation

The value to the Organisation

- **Reduce costs significantly** by automating key processes
- **Improve consistency, control and traceability**
- **Improve quality** through reduction in error rates
- **Overcome systems fragmentation** by consolidating data from disparate systems

Current Market Activity

Developing – organisations globally are growing their understanding of the technology and its benefits. Take-up poised for significant growth.

Cloud and SaaS

3. Cloud and SaaS

The value to the Organisation

- **Reduce costs**, as organisations only pay for what they use
- **Provide great flexibility**, in terms of adopting new technologies and flexing to changes in demand
- **Improve disaster recovery**, as back-up solutions and capacity can be accessed from anywhere, taking into account different circumstances, such as loss of power

Current Market Activity

Deploying – widespread adoption by organisations across the world is growing fast.

Artificial Intelligence

4. Artificial Intelligence

The value to the Organisation

- **Improve strategic insight** by analysing unstructured data and helping business analysts find signals and patterns in large data sets
- **Improve risk management** by identifying patterns in large data sets that are indicative of fraud or other concerns

Current Market Activity

Developing – leading global organisations are making early investments and developing practical applications

Blockchain

5. Blockchain

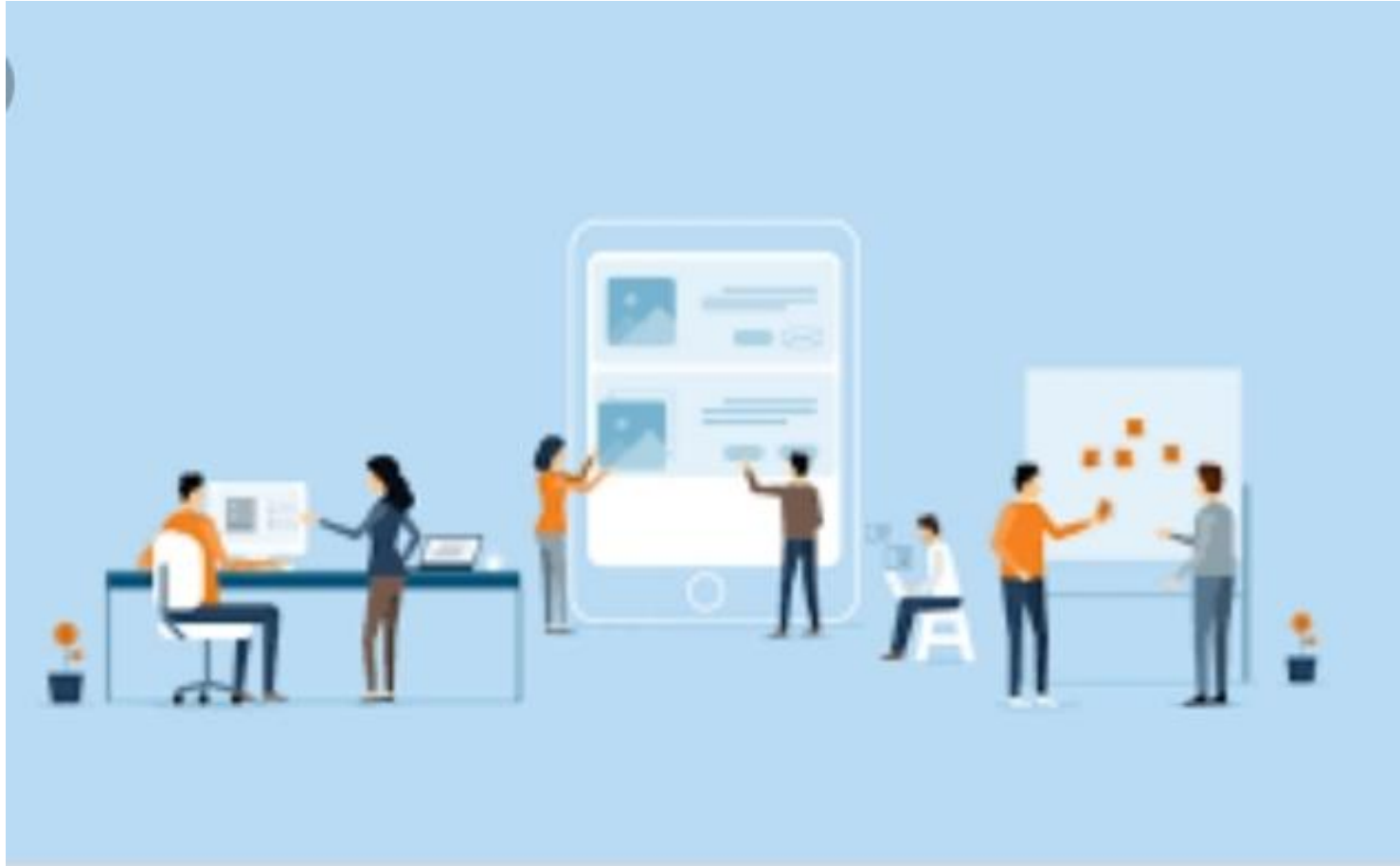
The value to the Organisation

- **Streamline processes**, such as contract enforcement, by integrating delivery and payments into the contract itself
- **Increase IT security**, utilising the unprecedented protection that blockchain offers against fraud and hacking
- **Improve transparency** by accessing accurate transaction data from across your company's extended value chain

Current Market Activity

Exploratory – globally organisations are researching, assessing potential use and value, discussing within the executive team

How can we embrace Digital Transformation and use it to our advantage?



Digital Transformation: A Road Map

How to reinvent your company for its digital future



DIGITAL
STRATEGY



BUSINESS
MODEL



ENABLERS



ORCHESTRAT
ION

Digital Strategy: Today Forward – Future Back

- Digital Departure – Map out Clear “Flight Path”...
- Early Stage Failure Pattern:
 1. Planning to Plan: Heavy on enablers, unclear on business values
 2. Pure Experimentation: Heavy on business apps, lacking enablers to scale
 3. Blind Spots: Under investment in specific areas
 4. Scattershot: Lots of small investments with no coherent strategy
 5. Nearsighted: Investments weighted to the short term.
 6. Farsighted: Investments weighted to the long term
 7. Big Brother: Excessive centralisation; lack of business ownership
 8. Islands: High decentralisation, duplication of investments

Digital Strategy: Today Forward – Future Back

- Industry Direction: What will your industry look like in 5, 10 and 20 years?
- Company Vision: How will you play and win in a digital future?
- Stepping Stones: How will you make progress without being certain of the end game?

Business Model: Digital Transformation is Business Transformation

- Customer & Channel Engagement: What is the raw customer need you are answering?
- Products & Services: How can your technology take the customer experience beyond “good” to “great”?
- Economic Model: Are economic models part of your innovation?
- Operations: Are you evolving operations fast enough to deliver?

Enablers: Technology is not the hard part

- Data & Analytics: Are you clear about the data you need, not just the data you have?
- Systems & Technology: How high is technology on your CEO's agenda?
- Operating Model & Partnerships: Does your current operating model accelerate digital progress?
- Talent & Culture: Are you building talent and culture as a source of digital advantage?

Orchestration: Experimentation is Easy, Transformation is Hard

- Leadership & Engagement: How is your leadership (C-suite) embracing the new normal presented by the Digital Transformation?
- Scaling: How is your company transitioning from experimentations to scale?
- Governance Metrics & Risk Management: How do you empower teams, distribute execution and encourage innovation without creating chaos?
- Funding & Investor Management: How do you build an investment case both internally and externally?
- Regulatory & Community Engagement: How do you contribute to shape new governance standards?

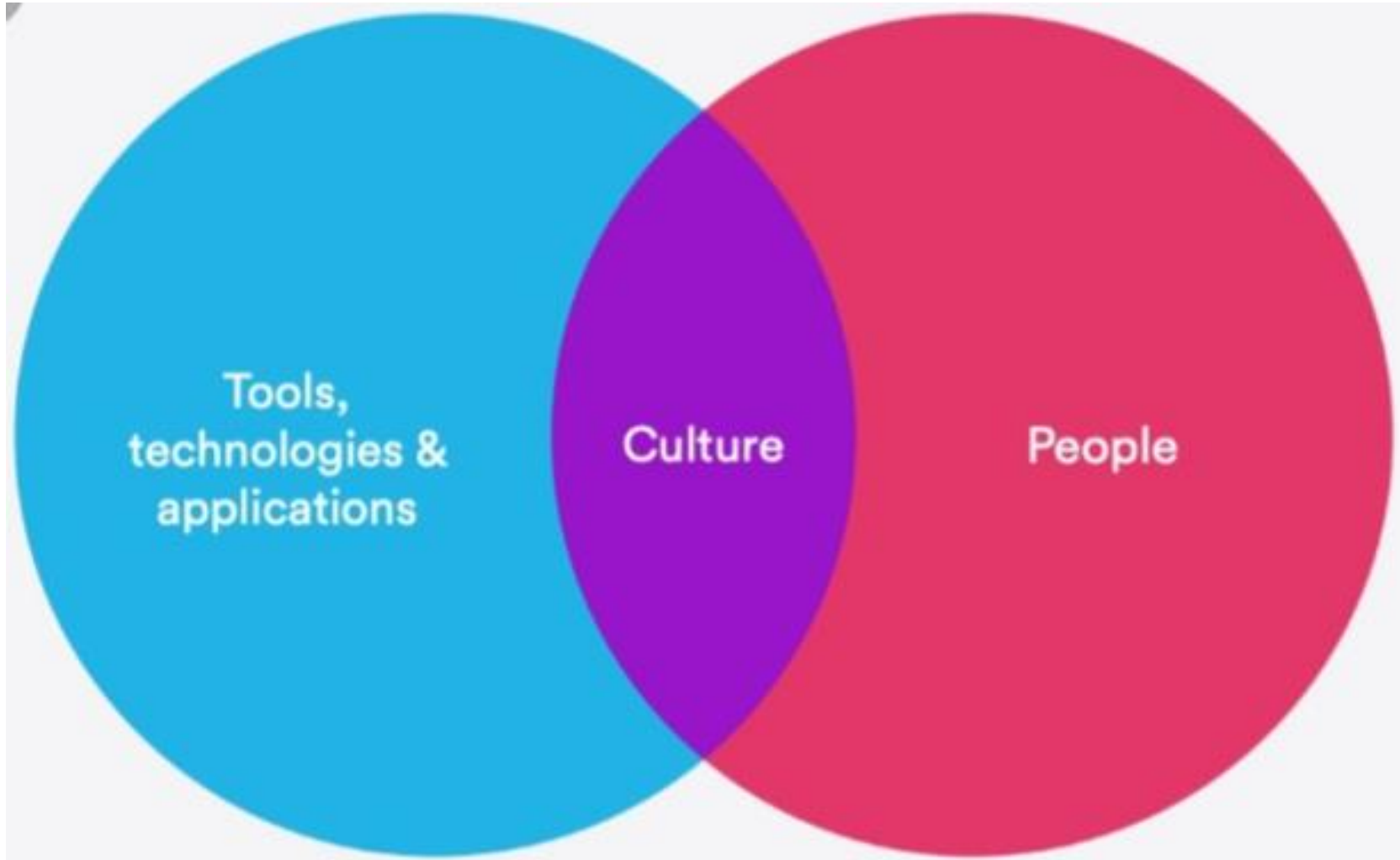
Concluding Remarks...



Conclusion: Challenges posed by Digital Transformation

- Regulations: How can PNG regulations apply? Taxation? Privacy? Anti-Money Laundering? Securities?
- People: Loss of jobs, need to reskill people, lack of local expertise, lack of adaptation, etc.
- Investment: Lack of finance, inability to justify investment, etc.
- What else?

Conclusion – Upskill People and Change Culture to embrace Digital Transformation



Conclusion: How I respond to digital transformation, a personal perspective...

- Move all my businesses from Physical Server to Cloud Server (within 2 months) – making Physical Server redundant
- Move Accounting and Payroll Services to Software as a Service (SaaS)
- Online Sales Platform (subject to Payment Gateway)
- Use Social Media for all my Marketing – No paid advertisements with Print Media and Broadcasting Media.
- I watch TV news on YouTube and I read online based news
- I use Social Media to influence peer and society perspectives, including Government Policy.
- Book my Travel and Accommodation online

How will Digital Transformation impact you
and your organisation?

Thank you!