

Digital transformation in the spotlight

Issues facing firms of today were discussed at length by the technology leaders of public and private sectors. BY JANICE WU

- Panel members:**
- Prashant Agarwal, Director, AIA Edge (Group Innovation)
 - Tan Yong Heng, Singapore Office Leader, ARUP
 - Chia Hock Lai, President of Singapore FinTech Association
 - Philip Heah, Senior Director (Next Generation Infrastructure & SMEs), Development Group, IMDA
 - Lai Weng Yew, Vice-President, Business Application Services, NCS
 - Neo Chia Yann, Director, Consulting Practice, Business Application Services, NCS
 - Tamsin Greulich-Smith, Chief, Smart Health Leadership Centre
 - Bernard Leong, Head of Post Office Network and Digital Services, Singapore Post
 - Chang Sau Sheong, Managing Director, Digital Technology, SP Group
 - Yeo Choon Chong, Deputy CEO, Urban Development, Surlana
- Moderator:** Poon King Wang, Director, Lee Kuan Yew Centre for Innovative Cities, SUTD



From left: Yeo Choon Chong; Chang Sau Sheong; Bernard Leong; Philip Heah; Neo Chia Yann; Tamsin Greulich-Smith; Poon King Wang; Tan Yong Heng; Prashant Agarwal; Chia Hock Lai; Lai Weng Yew.

SPONTANEITY can easily go wrong. But this was not the case at the second IT-NCS roundtable discussion. Immediately after host Lai Weng Yew, vice-president, Business Application Services at NCS, welcomed the panelists, the exchange of views at this discussion was free-flowing and easygoing.

The topic of the discussion was on point about what companies are facing today – Transformative Leadership in the Age of Digital Disruption. The roundtable was moderated by Poon King Wang, director, Lee Kuan Yew Centre for Innovative Cities at the Singapore University of Technology and Design (SUTD).

During the discussion, the terms “digital transformation” and “digital disruption” came up frequently, but Mr Poon defined that digital transformation is generally the response to digital disruption.

While the participants at the discussion may have been technology leaders from the public and private sectors, their focus was resolutely centred on people – their employees and customers. Some of their concerns were guiding their teams through the ongoing digital transformation and how to avoid isolating their customers along the way.

The speakers agreed that digital transformation was not easy to implement to bring about the desired results.

PEOPLE MATTER

Leaders have to cultivate support for transformation at various levels of an organisation. Bernard Leong, head, post office network and digital services, Singapore Post (SingPost) said: “People love to talk about transformation, but they don’t love to change.”

Prashant Agarwal, director, AIA Edge (Group Innovation) added: “(It) is natural to look for excuses to hang on to what one knows.”

Tamsin Greulich-Smith of NUS-IES, Smart Health Leadership Centre, noted that in the approach taken with the Smart Nation Initiative,

“When we think of digital transformation and disruption, who is the poster-child? We think of the Uber, the Airbnbs and so on... And when you look across these poster-children, what’s common? What they have in common is speed. What they have in common is analytics to empower, to give mass personalisation... (and they) can do that at practically zero incremental cost... So these are some of the attributes that lie behind successful digital transformation.”

Lai Weng Yew, vice-president, Business Application Services at NCS and co-host of the roundtable discussion



the government has set out the vision and plays the role of enabler while encouraging people to drive the changes. She said it’s an exciting approach to cascading sustainable change, but some people need time to adjust to it, perhaps feeling they have been put into the driver’s seat without instructions.

Leaders have to be customer-centric too. Neo Chia Yann, director, Consulting Practice, Business Application Services at NCS, gave an example of how her team is working with their customers in their digital transformation. That is using digital solutions to solve their customers’ problems. This involves “design thinking” and “looking from the user’s perspective”, she added.

Chia Hock Lai, president, Singapore FinTech Association, said: “Customer expectations are driving the digital transformation.” He shared his observation that the customer’s last favourable experience is what they expect on their next visit. He also noted that user reactions to technology changes varied across age groups. His point was supported by Ms Greulich-Smith who said that “in any kind of transformation, it’s about offering choice”. Focusing on how people benefit from tech

and infrastructure is key in a Smart Nation. Present at the roundtable was Philip Heah, senior director (next generation infrastructure & SMEs), development group, IMDA. He shared that the term “smart nation” evolved from the idea of a “smart city”, where government was not only helping to pull technology and industry, but also national policy and the community into a cohesive whole, hence not just enabling “hardware” but also “heartware” with the community.

Yeo Choon Chong, deputy CEO, urban development, Surlana Jurong Consultants, concurred. A smart city is often defined as one that has smart infrastructure. He considered the smart nation an idea with a higher purpose.

Mr Lai of NCS also spoke up for “humanising technology” to encourage broader adoption of digital technologies.

SPEED AND SURVIVAL

Leaders must not conflate implementing digital technology with taking on digital transformation. Mr Lai said that for digital transformation, the criticality of it does not lie only in operating more efficiently. It is about ad-

ressing “an existential risk”. That is, if a company does not “reboot” its business quickly, it may go out of business very quickly. The added challenge today is a company’s competition may not necessarily come from its own industry.

Noting that the ongoing digital transformation takes place under the pressure of speed, Mr Agarwal of AIA Edge shared: “People have to realise that you will make the best decision based on what you know then. And not all of them will play out. And in today’s world, the price of inaction is way higher than the price of a mistake. You can recover from a mistake. It’s very difficult to recover from inaction.”

Ms Neo of NCS said that sometimes the inaction is caused by spending too much time in search of a perfect solution. Instead a quick and acceptable one that is refined over time may yield better results in the fast-paced environment.

Dr Leong of SingPost added that digital transformation could be tailored to take a problem-centric approach that focuses on the customer and the business outcomes to be achieved.

That said, some digital technologies

that disrupt can also be used to speed up transformation. Here it might be appropriate to bring in an example that was related by Tan Yong Heng, Singapore office leader, ARUP. He said that in ARUP, the design stage of a project can take place across three or four offices around the world at the same time. This is enabled by digital design and virtual collaboration.

In ARUP’s case, this was driven by the need to optimise their resources; in particular the company’s deep-skill professionals. Virtual collaboration enabled an ARUP professional to work on several projects within tight timelines, without incurring hefty travel expenses.

COMPLEXITY

Digital transformation is hence a complex endeavour. In view of the complexity required, the moderator Mr Poon of SUTD, brought back an earlier insight by Chang Sau Sheong, managing director, digital technology, SP Group, who pointed out that digital innovation had been par for the course for decades for many high-tech sectors.

Mr Poon asked if “digital transformation” was an accurate or even sufficient description of the changes that businesses have to make in response to digital disruption.

Mr Chang suggested: “Just take out the word ‘digital’ and go with ‘transformation.’” Mr Heah of IMDA talked about an “engaged economy” while Ms Neo of NCS mentioned an “immersive economy”.

In general, the responses revealed the multi-faceted complexity that leaders have to grapple with. Just as crucial to solving transformation problems – be it with perfect or optimal solutions – is developing the skills to do so. To this end, Ms Greulich-Smith from Smart Health Leadership Centre suggested that “disruptive transformation” might be a more accurate description for digital transformation. She explained that disruptive transformation usually happens when incremental innovations have been done but more is needed to fix the problem.

Dr Leong of SingPost offered an alternative view: “We have to be very stubborn on the vision, but very flexible on the implementation.”

To pull off digital transformation, he suggested: “Give the P&L (profit & loss) responsibility to the digital leader. Once the digital leader owns the P&L, his first inclination will be what are the quick wins using technology to resolve a problem? Once he has some quick wins established, he can build on them to achieve medium and long term wins.”

Mr Lai of NCS listed some traits associated with companies that have been successful with digital transformation. He said: “When we think of digital transformation and disruption, who is the poster-child? We think of the Uber, the Airbnbs and so on... And when you look across these poster-children, what’s common? What they have in common is speed. What they have in common is analytics to empower, to give mass personalisation... (and they) can do that at practically zero incremental cost... So these are some of the attributes that lie behind successful digital transformation.”

And there you have it, choice pickings from a discussion that looks at how leaders and their organisations can thrive in this age of digital transformation. For the lessons distilled from this conversation, the moderator Mr Poon of SUTD, has succinctly presented them in the adjacent story.

Do’s and Don’ts about Digital Transformation

Don’t assume there’s an endpoint – Ms Greulich-Smith of Smart Health Leadership Centre

People love to talk about transformation but they hate to change. Adopting the “Do’s” takes time – **Dr Leong of SingPost**

Patience – Mr Agarwal of AIA Edge

Persevere and lead by example – **Dr Leong**

Respect people’s preferences if they choose not to pursue digital transformation – **Mr Chang of SP Group**

Let go of your own stereotypes because digital transformation can mean different things to different people – **Mr Agarwal**

Do challenge assumptions – Ms Greulich-Smith

Be customer-centric. But this does not mean acceding to the customer all the time – **Dr Leong**

Try to understand what the experience is like from the customer’s perspective – **Ms Greulich-Smith**

Don’t think of technology first, do think of getting everyone involved – **Mr Heah of IMDA**

Be open and willing to listen to the younger generation – the digital natives. If I’m prepared to hire millennials, I must be prepared to listen to them, in terms of digital transformation – **Ms Neo of NCS**

Don’t assume expertise lies at a certain tier in the organisation. All your stakeholders bring a different expertise to the project – **Ms Greulich-Smith**

Everyone should feel they have a role to play, rather than feeling that they have to work their way up to a position before they can do so – **Ms Greulich-Smith**

Sometimes we can ask ourselves “why not?” – **Mr Tan of ARUP**

With digital transformation, what we are looking at is a reboot of the business model, instead of making incremental enhancements to a business operation – **Mr Lai of NCS**

Five lessons for leaders of the future

By Poon King Wang

Is digital transformation something new or something old? After all, many high-tech sectors have been innovating digitally for decades. Why all the fervour now? It is because these high-tech sectors’ innovations have now proliferated to all sectors of the economy and society. They are now grist for the mill for everyone.

Thus, any company or city embarking on a transformation can borrow from the experiences of others. Here are five lessons – drawn from the Roundtable conclusions – that corporate and government leaders can adopt and adapt:

■ **From “What Tools” to “So What? Who Cares?”** Technology is no longer just a tool, department or support function. Smart companies and cities must now also ask what organisations can do – sector and city-wide – and who cares about what it can do. For example, it is not what artificial intelligence or data is that matters. It is what it does – how we use it to create new value for how people live, love, learn and earn.

■ **From Concept to Context.** Creating new value that people care about means designing solutions that are context-specific. We must add context to concept. To understand context and develop empathy, reports and surveys no longer suffice. We can dig deeper, for example, through simulations, virtual reality, sensors, data analytics, and design thinking. We can also spend time on the frontline, and must translate for citizens/customers/employees, what transformation means for them.

■ **From Secure-Stabilise to Explore-Experiment.** Transformation creates a di-



Panel in discussion about the fervour surrounding high-tech sectors’ innovations.

lemma: how to keep key services and infrastructure secure and stable, but yet explore and exploit new opportunities? We can create two tiers of organisation structure and infrastructure. One tier takes charge of and anchors the business as usual; the second experiments – and allows for experiments – with new possibilities (for example, a Digital Business Unit, an API layer for collaborators’ access).

■ **From Experts to Expert Novices.** We used to strive to be experts; we must now strive to be expert novices too. Transformation never ends as digital advances always accelerate. Experts easily become novices with the next technological wave.

■ **From Role of Technology to Role of Humans.** Digital transformation dis-

sions tend to focus on the role of technology. But for anyone involved in and affected by these transformations, the people matters quickly loom large. We should shift the discussions to centre on the role of humans. We must account for human capacities, experiences, aspirations and fears. We have to be clear on the human values that will guide us as we make choices that involve and affect people. Because ultimately, digital transformation is a very human endeavour.

■ The writer is director of LKY Centre for Innovative Cities and moderator for this event

This page is brought to you by:

