

A REPORT

DIRECTORS' SYMPOSIUM TRANSFORMATIVE TECHNOLOGIES

04th September, 2018
at Hotel Oberoi, New Delhi

The Institute Of Directors organized the Directors' Symposium on Transformative Technologies at The Oberoi, New Delhi on September 4, 2018. The Association of Certified Chartered Accountants (ACCA), UK, a MoU partner with IOD, was the supported the event as a Strategic Partner for the symposium.

Mr. Ashok Kapur, Director-General, Institute of Directors was the master of ceremonies and welcomed one and all in his inimitable style and commenced the technical deliberations.

The technical session was opened by **MdSajid Khan**, **Head of International Development, ACCA**. He addressed the gathering and spoke on the four drivers of change in the current business landscape a) Digital Technology, b) Globalization, c) Increased regulation & stronger governance, and d) Changing expectations of society and professionals.

He stressed on the role of digital technology in helping business through automation and also finding new ways of doing business which leads to innovation. He also emphasized the importance of cultivating the right behavior and driving professional ethics in the digital world.

The session was continued by three eminent industry experts namely, **Mr. Sanjay Kapoor**, **Director, Tech Connect Retail Pvt. Ltd. & Former CEO of Bharti Airtel**, **Mr. Ashish Makhija**, **Corporate Trainer & Standing Counsel for the Official Liquidator (Ministry of Corporate Affairs, Govt. of India)** & **Mr Vishesh Chandiok**, **CEO & National Managing Partner, Grant Thornton India LLP**, who shared experiential insights on the emerging technologies and the roadmap for the future.

Mr. Sanjay Kapoor, **Director, Tech Connect Retail Pvt. Ltd. & Former CEO of Bharti Airtel**, outlined how technology has changed the world in the last few decades. Based on 2017 data, there are more than 4.92 billion mobile users representing two-thirds of the world's population. The on-line community is highly engaged with more than 1.60 billion e-commerce users. Digital transformation is not just an application or a website but is highly pervasive. He felt that it is somewhat difficult to predict where this will take us all in the next eight to ten years as the pace of change is extremely fast. On the ability to adapt and change, he stated that only three species in this world have survived - white ants, honeybees and humans.

He stressed that customers are increasingly becoming more discerning because digitalization allows them to compare products and services with the help of a button. Customers' expectations are also growing exponentially. In the world today, the digital newcomers have displaced the legacy organizations at the top, which were painstakingly created over several decades. Shifting to the digital way of working is necessary for organizations today to unlock scale and achieve success. So, in this digital world, what does it



VIPs at the **Director's Symposium** look on as the evening commences.



Lt. Gen. J.S. Ahluwalia PVSM (retd.)
 President, Institute of Directors presenting a memento to
Md Sajid Khan
 Head of International Development, ACCA

Lt. Gen. J.S. Ahluwalia PVSM (retd.)
 President, Institute of Directors presenting a memento to
Ms. Lucia Real-Martin
 Director, ACCA on the conclusion of her Keynote Address.

take to win? Mr Kapoor then explained three aspects that companies have to consider:

a) Non-Linear thinking

In the telecom industry, the voice- sms business was linear in nature, however, data is non-linear as it gives rise to multiple related businesses. Airtelin due course was in Telecom, Banking, Music, Health sector which was clearly non-linear thinking.

The news reporting in the past was standardized and followed a process that would disseminate the news the next day in print but in today's world news could be created by anyone through social media and not necessarily by the media! He gave the example of Elon Musk and his non-linear thinking of how he conceptualized the business of the future.

He also stressed upon the need for enabling content, access, storage and security when one is looking at a digital business

b) Collaboration

While collaboration needs to be done within the organization to identify greatness, unblock silos and harness the hidden potential for greater



Mr. Sanjay Kapoor
 Director
 Tech Connect Retail Pvt. Ltd.
 and Ex-CEO, Bharti Airtel

Mr. Ashish Makhija
 Corporate Trainer & Standing
 Counsel for the Official Liquidator
 (Ministry of Corporate Affairs,
 Govt. of India)

Mr. Vishesh C. Chandiook,
 CEO & National Managing Partner
 Grant Thornton India LLP

Ms. Lucia Real-Martin
 Director, Emerging Markets,
 Association of Chartered
 Certified Accountants (ACCA), UK

output in a seamless manner, there is also the need to look for collaboration externally. This emanates from the adage, "Perish alone or conquer together". External collaboration may be essential even amongst "frenemies", a term that he used to mean competitors who become friends for executing a winning strategy. He gave the example of the top digital companies such as Facebook, Microsoft, Whatsapp and Google collaborating in the area of artificial intelligence. Closer home, he gave the example of the creation of Indus Towers in the telecom industry. This is a joint venture vehicle then set up by three telecom majors- Airtel, Vodafone and IDEA Cellular- to monetize the cell tower assets set up across the nation. It was a great strategy to create this entity and for the companies to share the tower assets seamlessly for the mobility business.

c) Global Approach

It is necessary to leverage the digital infrastructure of the country. He also cautioned that the next competitor or disruptor could happen any time and emerge from any country. The telecom players were in for a rude shock when the likes of Whatsapp disrupted the profitable SMS business in India. It took 19 years for MacDonalds in the US to expand their business to the next country, Canada. Zomato rolled out its operations in 24 countries in just 4 years, Uber has spread its wings in 60 countries in just 7 years. The handset manufacturer Xiaomi entered India first in Bangalore just about 5 years back, but has emerged as the largest handset seller in the country. We don't know the next competition and every organization must be nimble footed, flexible and need to keep looking ahead.

He then asked what capabilities would be required to build the organization of the future. He touched upon the following three aspects:

1. Scale vs. Complexity

Business models are changing. Size was largely related to customer base or market share in Telecom, or customer base say growing from 100 million to 200



Mr. Sanjay Kapoor

Director, Tech Connect Retail Pvt. Ltd.
and Ex-CEO, Bharti Airtel
delivering his technical address as other panelists look on.

million, but over time complexity also increased besides scale. Telecom has many verticals now- health| payments| entertainment| medical.

Uber / Zomato operations becomes very complex as they have to deal with local laws and culture in so many countries.

2. Relevance Vs. Experience

While experience is important in one's career for a future role, this may not be essential in the new world. What is more important is the kind of experience that one has had even in a short period of time that is relevant for a future leadership role. Age is really no barrier. As against the past when CEOs and MDs were generally 50+ years, the new norm may be entirely different not just in the start-up community but also leadership roles in established companies being assumed by much younger profiles. He differentiated between Data aliens, Data immigrants and Data natives and that data will be part of our new cultural identity transforming the way we communicate, learn and interact. There is a need for all of us to train and retrain to become relevant in the digital world.

3. Analytics Vs. Data

The future will be data and 95% of content will be video. Mr Kapoor also referred to the IBM's Watson Supercomputer that combines artificial intelligence (AI) and sophisticated analytical software for optimal performance which is capable of answering questions posed in natural language.

Mr Kapoor, in his concluding thoughts, implored everyone to start acting now, make the bold decision and stay committed and focused.

Mr. Ashish Makhija, Corporate Trainer & Standing Counsel for the Official Liquidator (Ministry of Corporate Affairs, Govt. of India) stated that we are not using technology but living technology. He outlined the different aspects of emerging technologies such as Internet of things, Artificial Intelligence, Machine Learning, Block Chain which are disruptive and provided the example of OLA and UBER, the mobility aggregators. He informed that the South Africa code of Governance promotes a regular discussion between Board and management on emerging technology. Directors are technology aliens but need to imbibe the new order. Technology focused discussions should be held in the boardrooms in India. Businesses have to adopt technology and keep pace with change else they will be left behind. However, security of data in this Cyberspace needs to be built in.

Mr. Vishesh Chandiok, CEO & National Managing Partner, Grant Thornton India LLP, at the outset, stressed on the need for companies to adapt to change and adopt a digital transformation. He mentioned that the growth of smart phone users has grown from 1 million in 2006 to 200 million in 2016 and still growing. Likewise, internet users in India have grown from 90 million in 2006 to 612 million in 2016. 52% of Fortune

500 companies in 2000 have now disappeared.

The internet revolution and technology have already disrupted many businesses and unicorns will continue to do so in the future. There will be no safe haven. He believes that technology is widening the gap between winners and losers. With a specific example relating to the auto industry he spoke of three areas related to impending change:

- introduction of electric vehicles world over- migration from Internal Combustion Engine to Electric Vehicle and that the no of moving parts in the car will come down from 10000 parts to about 100 parts; in 2030 it is believed that 40% of cars in the world will be electric.
- autonomous driving and connected cars that have billion dollar valuations
- shared mobility, such as Ola and Uber, may become 25% of all rides in the future

He implored companies to think of the next big idea, consider partnering even with your competitor or look at Mergers and Acquisitions to drive value.

The session was followed by an erudite Keynote Address delivered by **Ms Lucia Real Martin, Director, Emerging Markets, Association of Chartered Certified Accountants (ACCA), UK**. She spoke about the impact of technology in businesses in the areas of cost, accessibility and agility. She eloquently detailed the start-up culture and the importance of building connected networks and accessing talent. She later identified the following six business models of the future:

- Platform based
- Mass Customisation 2.0
- Frugal (low cost innovation)
- Modern Barter that relates to exchange of goods and services
- Pay what you want, but nothing is free
- Mega Hyperlocal; an example of an underground farm in Central London

Lt. Gen. J S Ahluwalia PVSM (retd.), President, Institute of Directors, reiterated the need for boards to have a discussion on emerging technologies. Technologies such as artificial intelligence, robotic process automation, block chain technology, internet of things will have a far reaching impact on the business and companies need to discuss these in the board rooms. ■

Compiled by
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