



People Standing (L-R): Vinay Agrawal (CEO, Angel Broking), Anand Agarwal (CEO, Sterlite Technologies Limited), Chetan Naik (Head of Enterprise & Mid Market BU, IBM India-South Asia). People Sitting (L-R): Vijay Shah (Executive Director, Piramal Enterprises), R. M. Vishakha (MD & CEO, IndiaFirst Life Insurance Mrugank), M. Paranjpe (MD & CEO, MCX Metal & Energy)

DECIPHERING DIGITAL TRANSFORMATION

There is a consensus in most circles that digital transformation cuts across business boundaries. Whether it is manufacturing or financial services, digital is omnipresent and immensely relevant. At the same time, a lot of businesses are still trying to grapple with what digital can really do for them and how technologies like Artificial Intelligence (AI) and Internet of Things (IoT) or cloud computing can benefit them and their customers.

To discuss these issues through a candid conversation with industry leaders, Forbes India hosted a panel discussion, Forbes India #ideas2act: The Digital Edge Series, in partnership with IBM. The participants at this discussion included Vinay Agrawal, CEO, Angel Broking; Mrugank M. Paranjpe, MD & CEO, MCX; Vijay Shah, Executive Director, Piramal Enterprises; RM Vishakha, MD & CEO, IndiaFirst Life Insurance; Anand Agarwal, CEO, Sterlite Technologies and Chetan Naik, Vice President, Enterprise and Mid-Market, IBM India and South Asia.

CHANGING EXPECTATIONS

The dialogue began with RM Vishakha observing that as the priorities of a company keep changing, so do its expectations from digitalisation. "Initially it was all about eliminating manual processes, enhancing efficiency and improving productivity. Now we are moving to the next level; we are looking at how to increase customer satisfaction. As the third stage, I envisage that we will be using AI to do away with training, which really never ensures uniformity of behaviour in the customer service or sales team."

NEW PLAYER ADVANTAGE

Leaning on his own experience, Shah highlighted another interesting trend, "Piramal Enterprises is big in financial services, but we are among the latest entrants. So, we had the opportunity to tap into the latest in technology while setting up the business." He also pointed out that in the manufacturing sector most people still don't even know what digital is. "We have to start with educating people about what digital means, with the help of consultants, who can walk the organization through this revolution." In his view, the biggest challenge was getting the top management to appreciate and understand what digital is, set a vision and then gradually overcome the hurdles during the transition.

OBSOLESCENCE AND ADAPTATION

Digitalisation has changed job profiles and their relative importance too. Paranjape shared two interesting examples of this. "In 1994, the most empowered person in a stock broking firm was the person who went into the trading ring. In about six months this role completely lost its relevance. In 1997, back office functions changed considerably too as everything went paperless. More recently, in the commodities space, electronic warehouse receipts are expected to trigger a similar revolution for commodities as depositories did for equities by digitizing assets."

Agrawal of Angel Broking underlined another aspect of redundancy – resistance to change. "With digitalisation, the work that people do for an organization often gets automated. It becomes a big challenge to encourage these people to reorient their approach to digital technology."

While they find it easy to adapt to using smart phones and digital apps, it is different when it comes to their work. They do not like to feel that their contribution, which seemed important until now, has suddenly lost all its relevance."

Naik opined that at an aggregate level, it was unlikely that the sum total of job changes would remain the same during the transition to digital. "It will be hard on a set of people," he said. "For example, if a mid-career professional in the technology industry today does not upgrade his or her skills and adapt, it could be difficult for them to survive changes."

ASYMMETRIC OPPORTUNITIES

Digital technologies have their pitfalls as well, which industry leaders are mindful of. Paranjape raised a pertinent issue when he pointed out that some of the questions that the industry was grappling with included: "Does technology create level access for everyone or do people with deep wallets, high computing capacities, high networks, gain unfair access?" He further added that people trusted exchanges because they believe that there is no asymmetry in formation. But the concern is that sometimes asymmetry emerges due to some people being more digitally capable than others.

ENHANCED CUSTOMER EXPERIENCE

The next relevant issue to be discussed was can digital be used to boost retail participation in the securities market? Digital has taken the securities market to a level where information is real time, transparency is assured and access to information is available on the go, via mobile phones. Agrawal suggested that the focus would now shift to enhancing customer experiences - right from sales and acquisition to fulfilment and after-services. "Earlier we used to have a software lifecycle of months and years, now it has been reduced to weeks. The whole cognitive technology piece is playing a very big role. We are able to profile the customer much better without too many questions being asked," he said. Anand Agarwal of Sterlite Technologies succinctly summed up by saying that all the digital technologies were merely tools and it was up to the users to make them relevant to customers and employees.

TRANSITION DILEMMAS

While he acknowledged that equity markets were making the most of digital transformation, Chetan Naik observed that companies in sectors like manufacturing and retail distribution often had good intent (vis-à-vis digital adoption) but were struggled with where to begin. "Unfortunately, there are so many aspects that could use digital intervention

- at one end digital marketing and training could be implemented and at the other, sensor-based readings and predictive maintenance. One has to prioritise which of these areas will have the greatest impact or be the best place to start," Shah observed.

Anand Agarwal pointed out that since India is just getting started on creating a data infrastructure, which is the core for digital, the industry cannot offer a preferred experience yet. "We are working with telecom providers and the defence sector to create a data network. We are also working with smart cities, some of which are coming up with rural broadband. There are really neat technologies available," Agarwal said.

START-UP SUPPORT

With an army of start-ups mushrooming in the digital space, it has become imperative for larger companies to evaluate how they can partner with younger companies and their innovative ideas. Anand Agarwal shared that his company uses start-ups to scale up a platform that it has created and, at the same time, consciously and continuously funds start-ups to undertake projects that it is not agile enough to conceive and implement. Vinay Agrawal also stated that Angel Broking looks at these start-ups both as partners as well as competition. He explained that due to their brilliant ideas and customer-focused

approach, there is scope for synergistic equations between large corporates and start-ups towards creating quick and effective solutions. Vishakha shared that her company had a separate budget and team for experimenting with start-ups.

THINKING BEFORE ACTING

New digital technologies shouldn't merely be adopted because it is fashionable to do so. Paranjape cautioned about rushing into adopting new technology as it could result in the adoption of unsuitable solutions. Another challenge was ensuring that what is created complies with prevailing and anticipated regulation, especially while creating something like a marketplace, which is meant for a wider spectrum of users.

Vinay Agrawal offered a slightly different view, arguing that while there may be risks associated with adopting a digital first approach, those risks are lesser compared to the challenges faced in the earlier physical world, where transactions were often manual and paper-based. "For example, during the era of physical shares, clients and brokers faced losses that were far larger than those in these digital times," Agrawal said.

