



# Digital Transformation Readiness

**KPMG Advisory Services Limited**

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Addis Ababa, Ethiopia

May 2022



**Digital Transformation  
Survey Results**

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**Understanding Digital  
Transformation**

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**Where Do I start?  
Digital Strategy and  
Maturity Assessment**

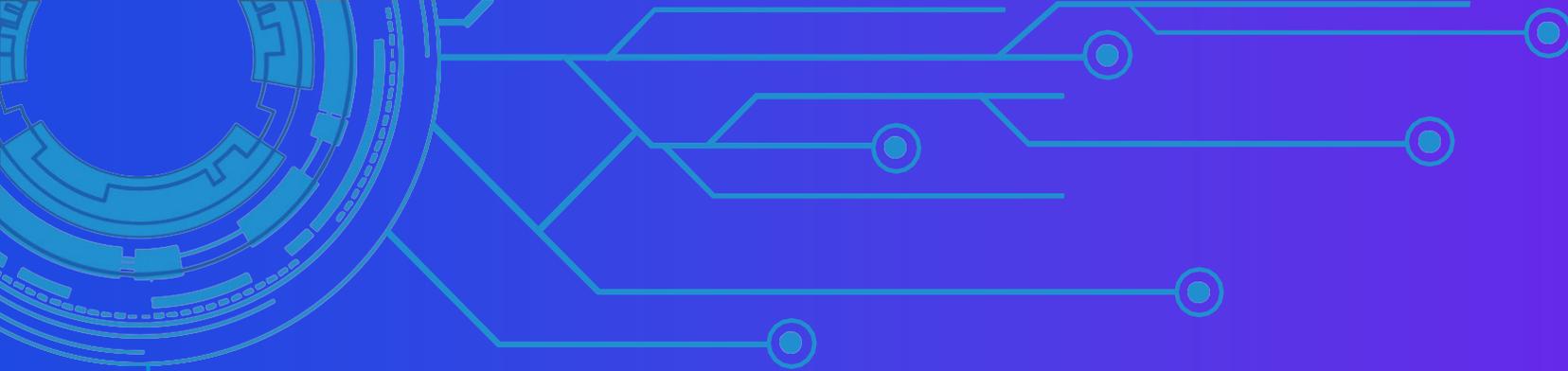
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**Client Stories**

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**Value Proposition**

# Agenda



# Digital Transformation Survey Results - Ethiopia

# A snapshot of Ethiopia's digital landscape

## Population

Population of **119.3 million** in January 2022.

*(22.7% of Ethiopia's population lives in urban centers, while 77.3% lives in rural areas.)*

## Internet users

There were **29.83 million** internet users in Ethiopia in January 2022 which represented 25.0% of the population in January 2022.

## Social media

There were **6.35 million** social media users in Ethiopia in January 2022.

## Mobile connections

There were **58.54 million** mobile connections in Ethiopia in January 2022. These represented 49.1% of the population.



**Source: HootSuite**  
Digital 2022: Ethiopia  
Simon Kemp, January 2022



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# A view of digital transformation from the top



## Disruption is Key

76% of CEOs see technology disruption more of an **opportunity** than a threat



## Digital Strategy

70% say they **have an aggressive digital investment strategy**, intended to secure first-mover or fast-follower status



Strategic alliances with third party providers, in cloud technology and collaboration with start-ups e.g FinTechs, InsurTech. CEOs believe such **alliances for digital transformation will spur growth**



## Digital Training

40% of CEOs will be **investing in digital training**, development and upskilling to ensure employees remain future focused



## Risks identified in achieving growth

88% of CEOs note the urgency to shift **investments to digital opportunities** and divest from businesses that face digital obsolescence



Out of 12 risks, EA CEOs rank the following as top risks threatening growth:

- **Emerging technologies/ disruptive technology risks**
- **Supply chain**
- **Cyber security**

Source: 2021 KPMG East Africa CEO Outlook Survey

# Ethiopia Digital Transformation Survey



## Respondents

- CEOs
- CISOs
- CRO
- CIOs
- CTOs

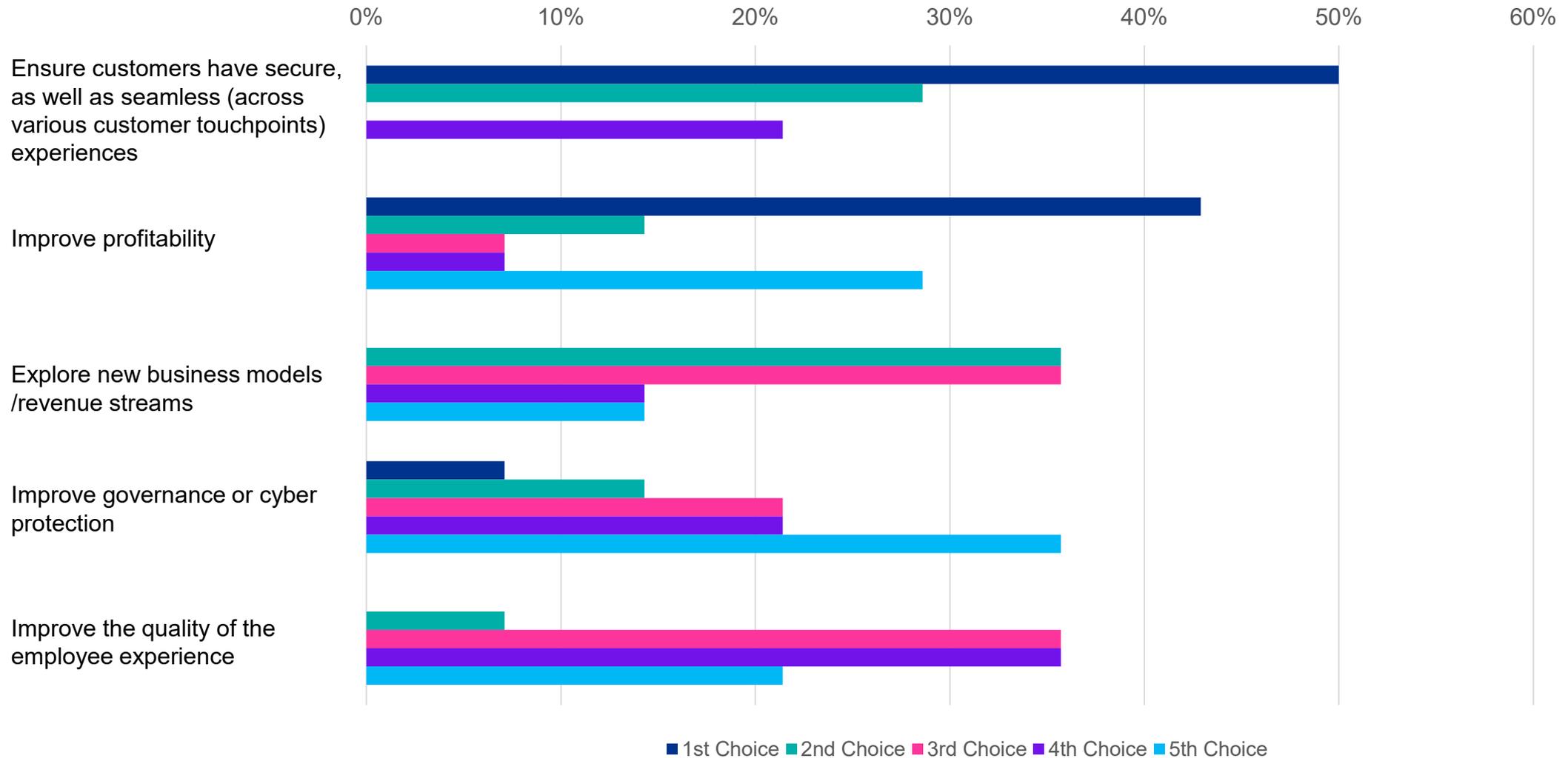
## Industries

- Banking
- Insurance



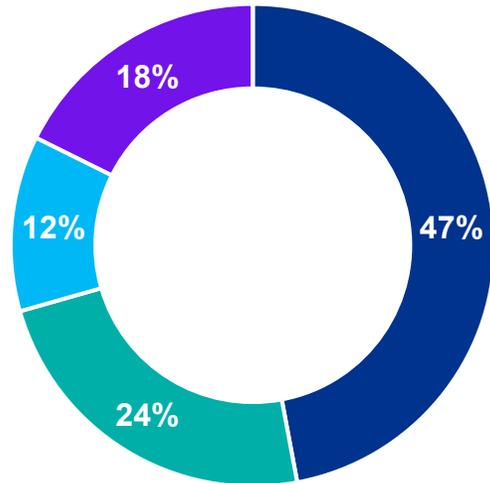
Organisation Size for most respondents:  
> 1000 employees

# What are the priority objectives of your organization's technology agenda?



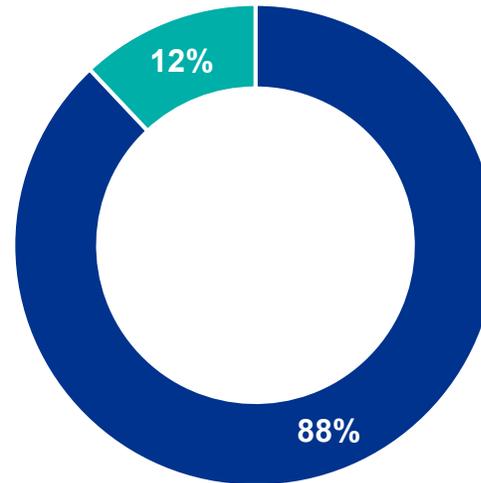
# Your Digital Transformation Journey...

Where is your organization in its Digital Transformation journey?



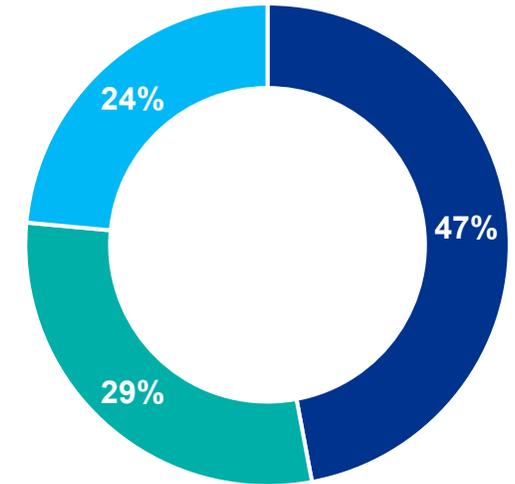
- Just started
- Largely being implemented
- Not yet started
- Ongoing/ In Progress
- Not applicable

Which of the following best describes your organization's view toward its Digital Transformation efforts?



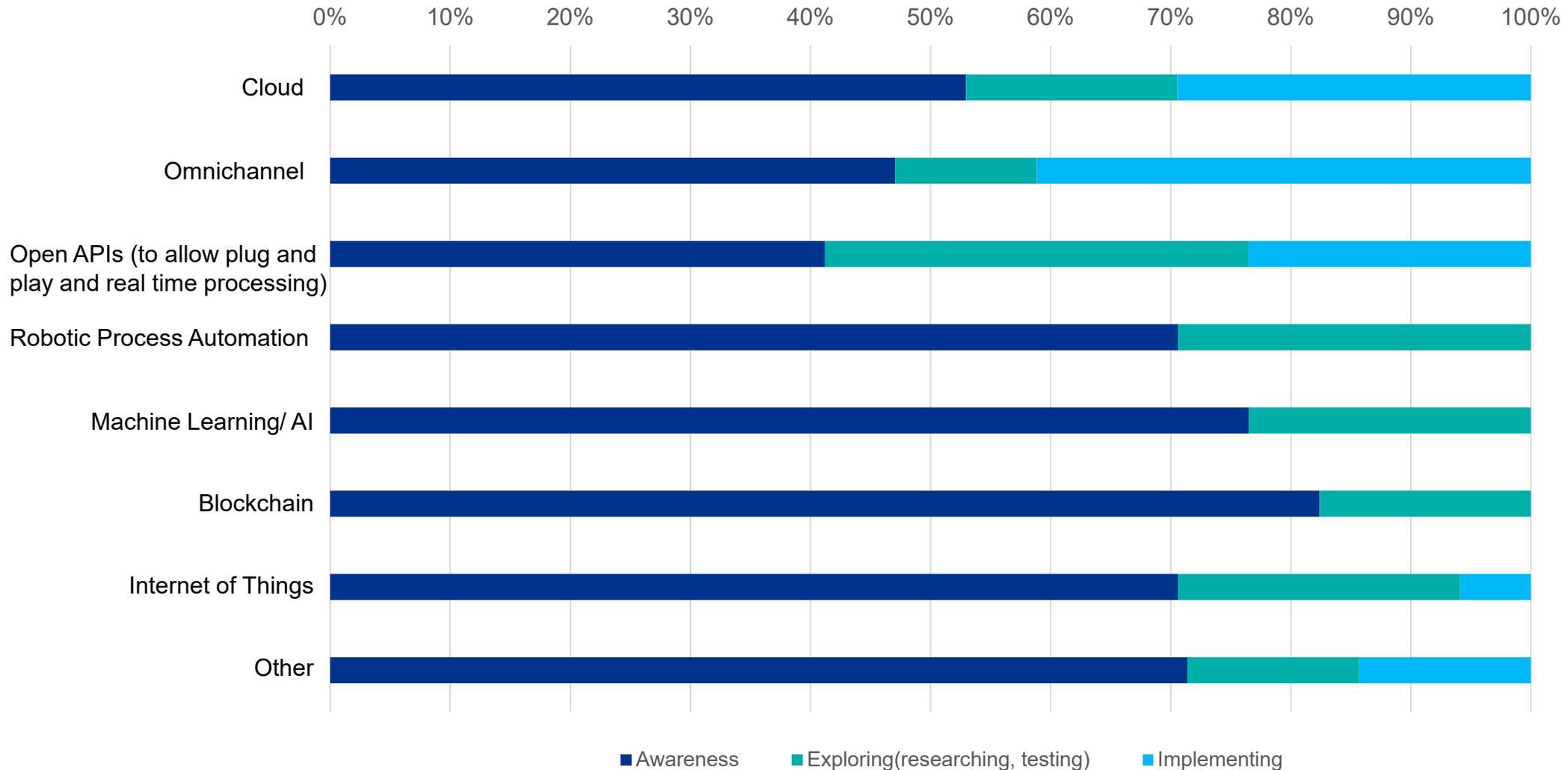
- It is part of our defined longer-term technology strategy and supports a long-term enterprise initiative
- It is a tactical response to the current environment and supports a short-term enterprise initiative

Do you have a digital strategy to support your Digital Transformation effort?



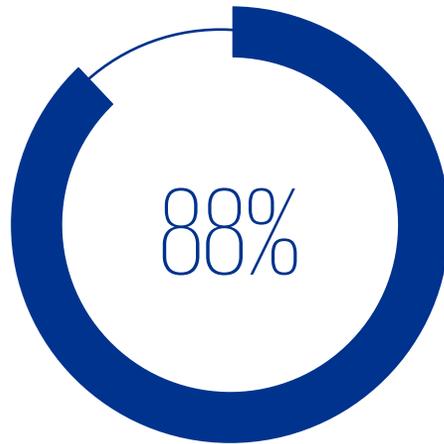
- Yes, we have ready digital strategy
- We are in the process of formulating a digital strategy
- We do not have a digital strategy

# Which of the following emerging technologies are you using within your organization?

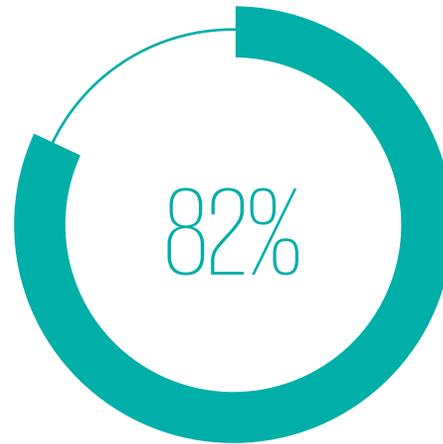


# On Customer Experience...

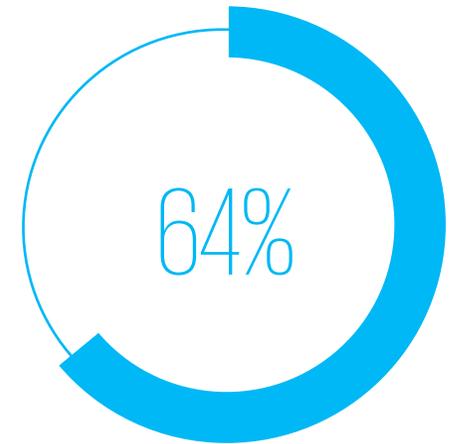
**88%** have a customer focused mindset, enabling you to bring new perspectives in the design of customer experience

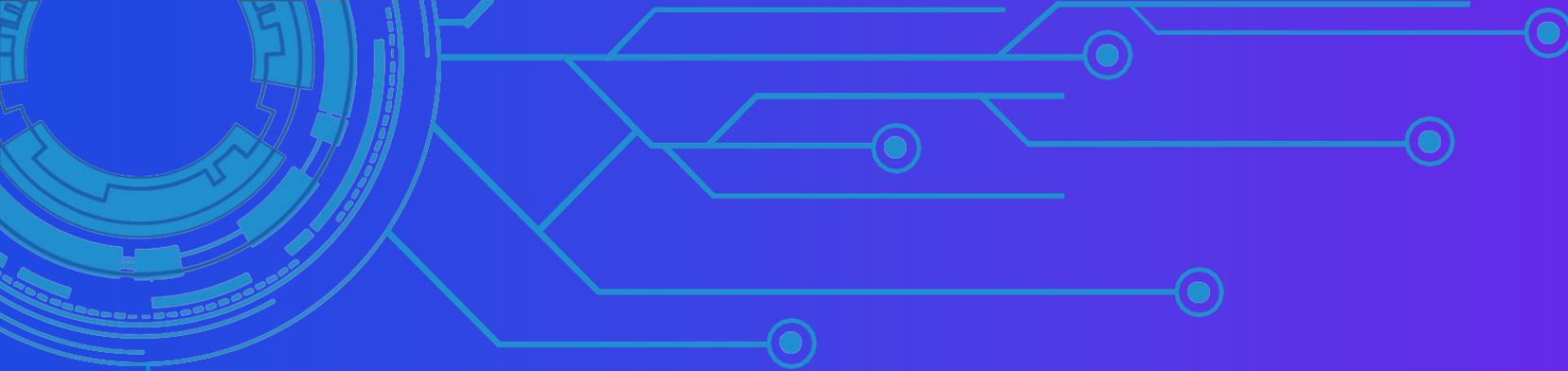


**82%** have a strategy in place to identify technology partners, global alliances, Fintechs and vendors to fill capability gaps that exist within the organization to deliver customer experiences across channels



**64%** have a talent strategy to attract, train, and retain employee, entrepreneurial, and digital talent to deliver on the connected enterprise





# Understanding Digital Transformation

# How we define digital ...

Digital must deliver against clear strategic outcomes.

Advanced interactive technologies are more than just websites and apps. They are AI, AR/VR, Cloud, Big data Blockchain, RPA, Analytics etc.

End users can be consumers, employees, suppliers, machine operators – almost anyone.

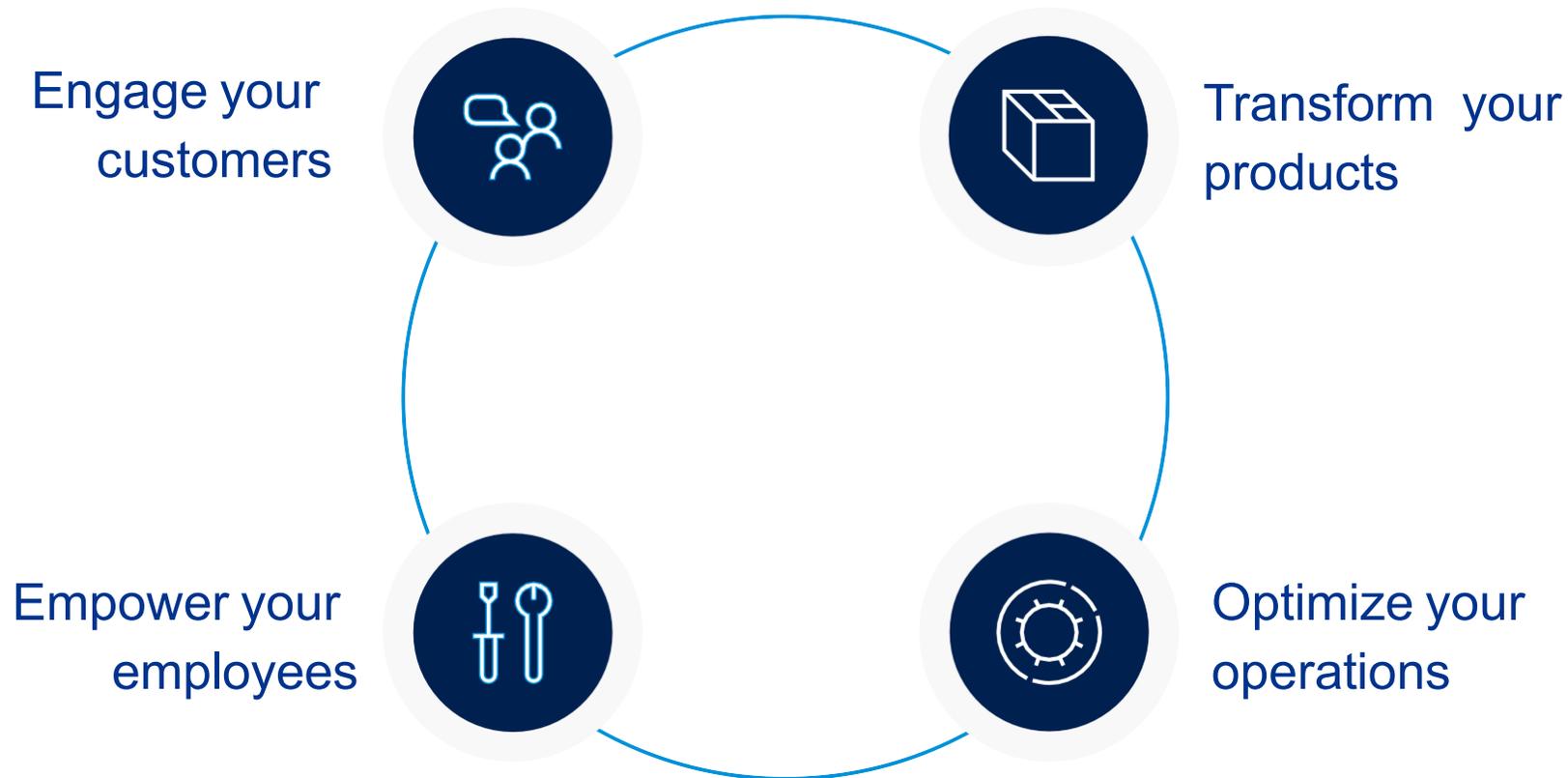
Digital is the **strategic** application of **advanced interactive technologies** that **end users** access to facilitate **transactions** and **interactions**, that are **logical, efficient and superior** in experience.

Transactions = exchange of monies or secure information.  
Interactions = delivery and exchange of contextualized end user information

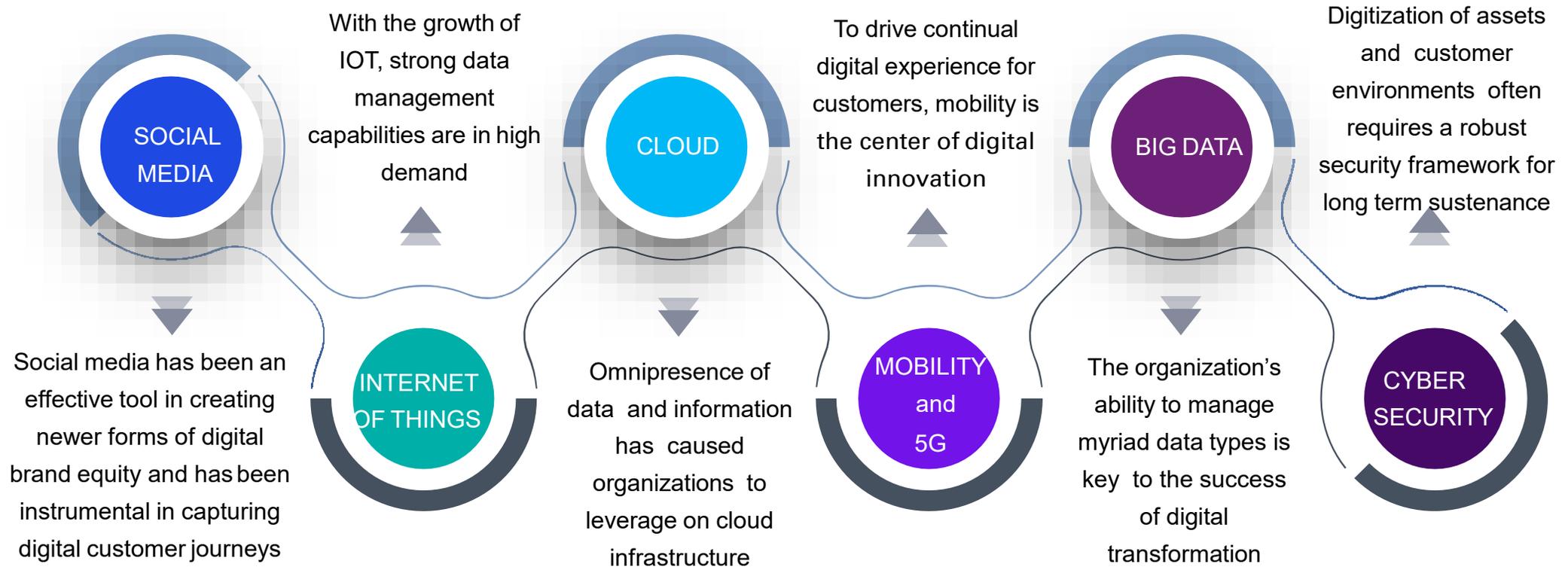
Interactive technologies become the channel of choice when designed and built thoughtfully. Doing it right requires depth in process, industry, design, technology.

# How we define digital transformation...

*Digital transformation is the process organizations are going through to implement technological advancements and cultural changes, resulting in new business models and industry disruption*



# Drivers for a digitally enabled environment



**Artificial Intelligence (AI) & Machine Learning (ML)**

**Distributed Ledger Technology (DLT) / Blockchain**

**Quantum Computing**

**Augmented Reality (AR)/ Virtual Reality (VR)**

**Robotic Process Automation**

# Factors Inhibiting Digital Transformation in many organisations

Lack of insight into the future of operating scenarios

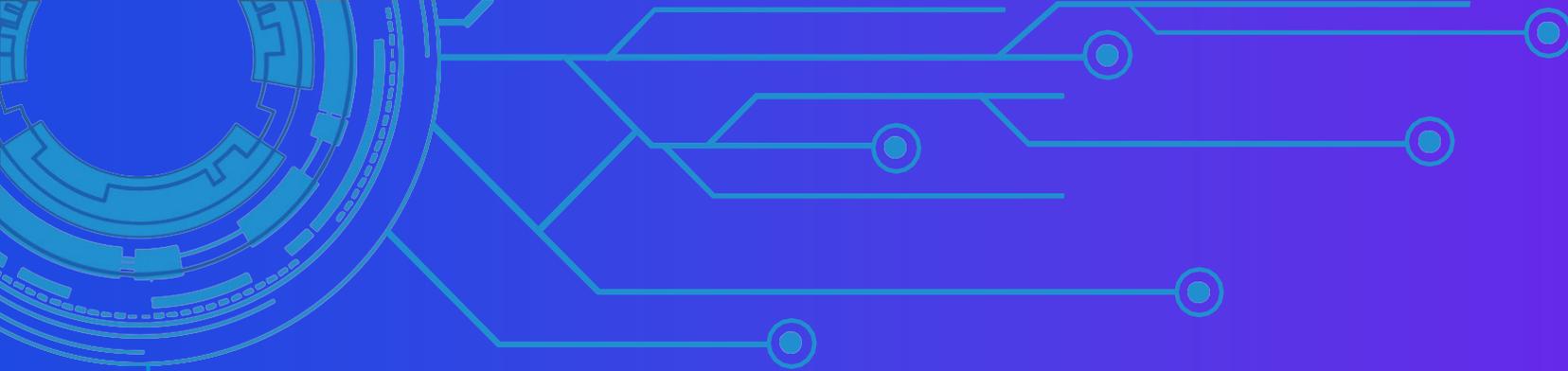
Difficulty in making quick technology related decisions

Challenges in moving from pilots and experiments to scaled deployment

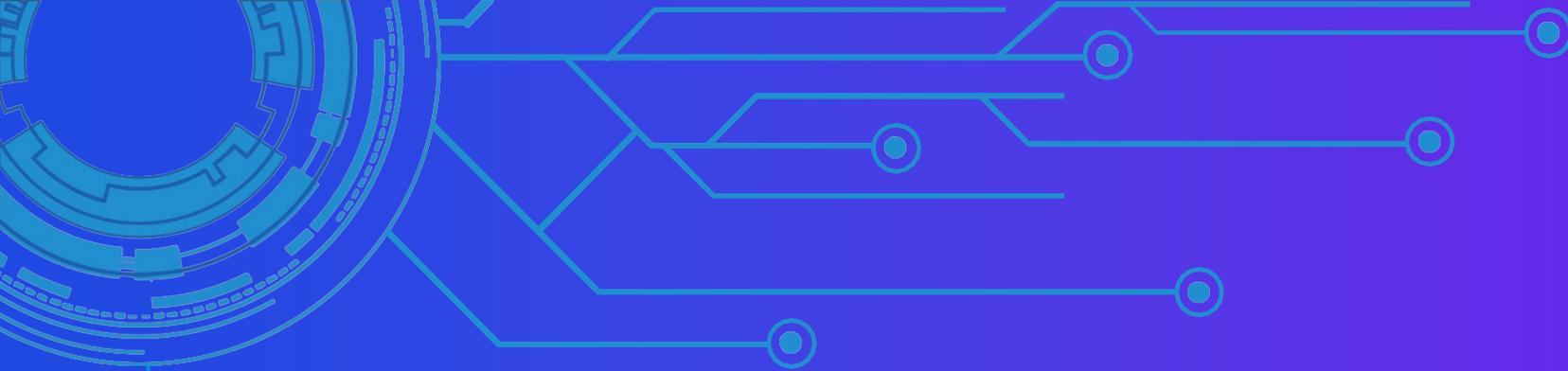
No coherent view on key technology trends on which to act

Lack of skills and capability in IT organisations





Where do I start?



# Digital Maturity Assessments

# Why digital maturity assessment?

**Lack of Understanding of Customer Behavior to drive digital initiatives**



Identification of key indicators for customer behaviour and help provide a roadmap

**No Yardstick to measure the efficiency and effectiveness of digital initiatives**



Translation of broad digital objectives to drive Customer Experience into achievable and measurable goals

**Siloed/Incomplete/Non-Existent Digital Strategy**



Identification of the building blocks for a digital strategy, align goals and suitably apply the required technology needed to drive digital initiatives

**Organizational Culture is misaligned with digital initiatives**



Aligning people goals that strategically fit the objectives and digital initiatives

**Short-sightedness of technological capabilities to drive Digital Maturity Objectives**

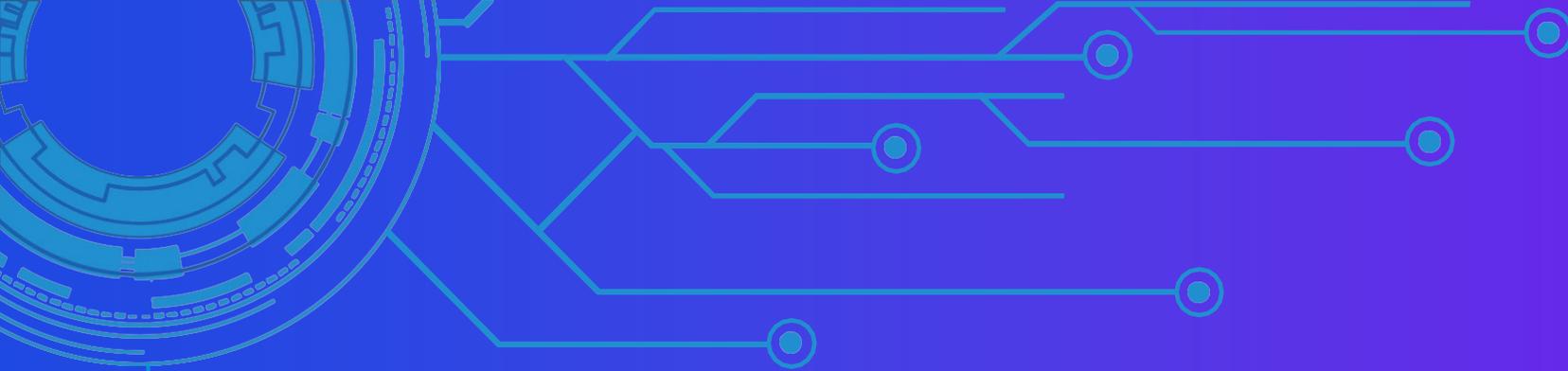


Assessment of strengths and weaknesses of the underlying technology and mapping of existing technological capabilities in driving digital goals

**Digital Initiatives are restricted to a few departments/people.**



Build up a complete customer profile for creation of newer experiences through cross functional collaboration



Then.....

Formulate a **Digital Strategy**

# In our view, your digital strategy must answer the following critical questions



What **Data & Analytics capabilities** will provide us with a richer understanding about our markets, competition, products, customers and partners, to drive our digital ambition?



How do we design **new products and services** leveraging deep customer insights and anticipating future customer needs?



What is required for us to consistently deliver **relevant and valuable experiences** in response to rapidly evolving customer and marketplace dynamics?



How do we build a **future-proof digital workforce** with a strong, forward looking culture that focuses on the evolving end-to-end customer experience?



How can we **automate business and technology processes** to help us be more effective in responding to the needs of our customers?



Which **partners, alliances and vendors** will help us fill capability gaps that exist within our organisation?

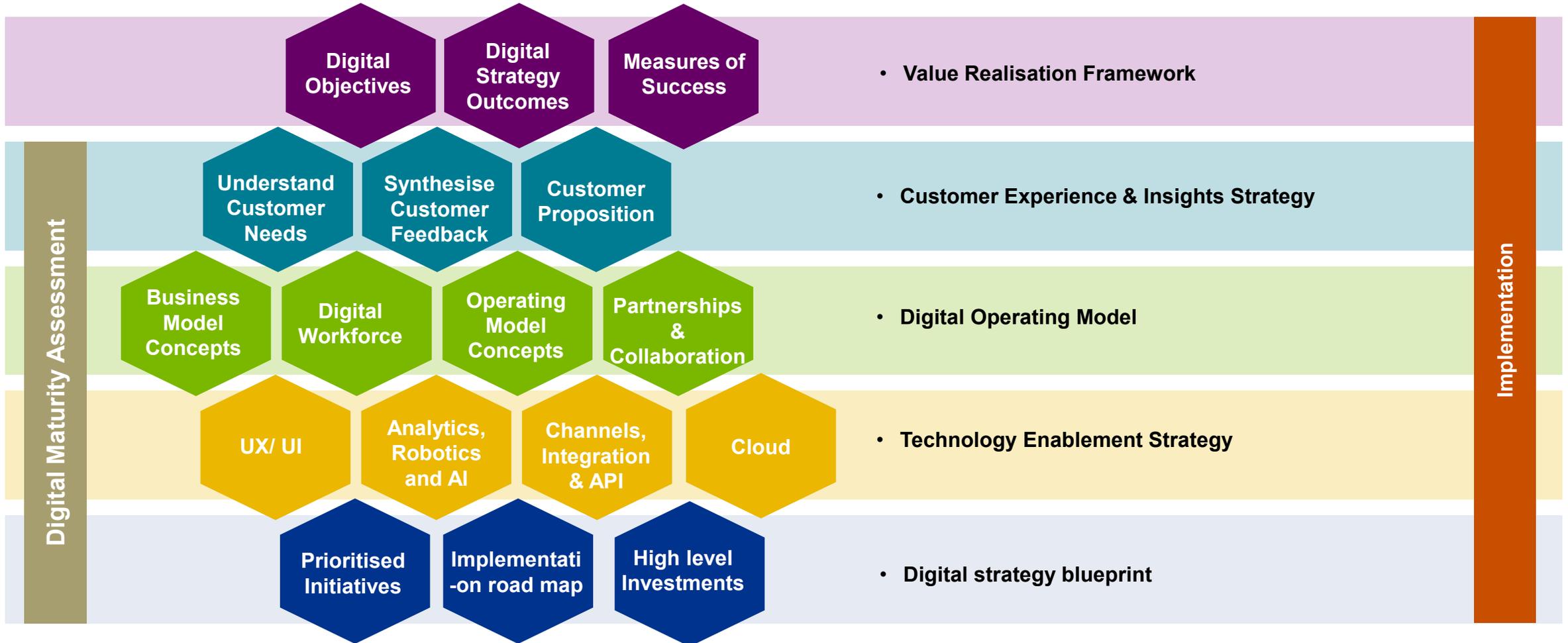


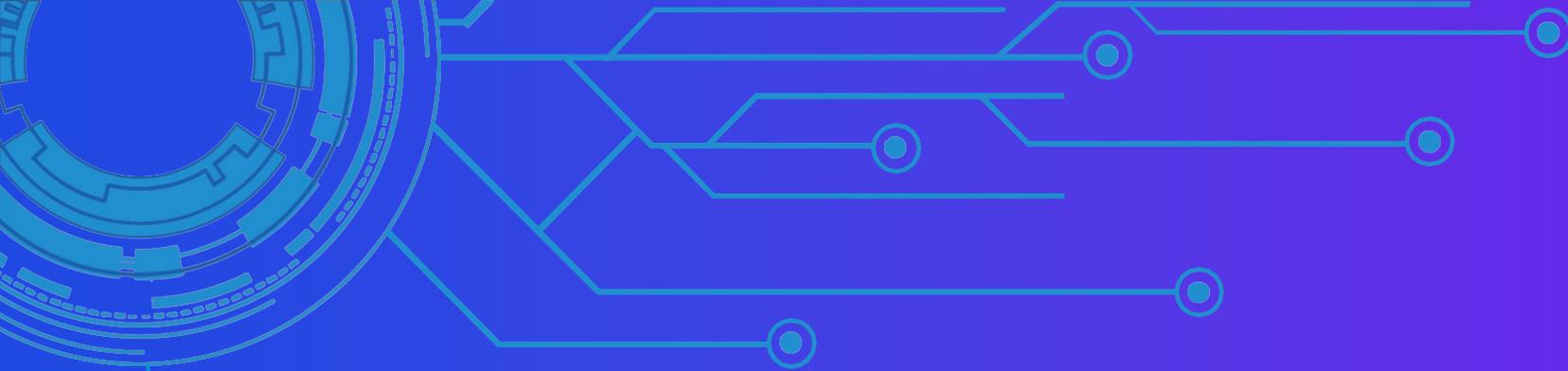
How can our **enterprise architecture** move at the speed of the business to meet current and future strategic objectives and needs of the organisation?



**Our Connected Enterprise methodology will be the key driver of our approach and outcomes**

# Building your Digital Strategy





# Client Stories

# Our Track Record



**Africa Trade Insurance  
(ATI) Agency  
Nairobi, Kenya**

Industry: Insurance

Project: Digital  
Transformation Journey  
Support



**FBN Quest  
Lagos, Nigeria**

Industry: Banking

Project: Digital Strategy and  
Transformation



**East African Breweries  
limited  
Nairobi, Kenya**

Industry: Manufacturing

Project: Automated  
performance tracking



**Fidelity Bank  
Lagos, Nigeria**

Industry: Banking

Project: Digital Strategy  
and Transformation

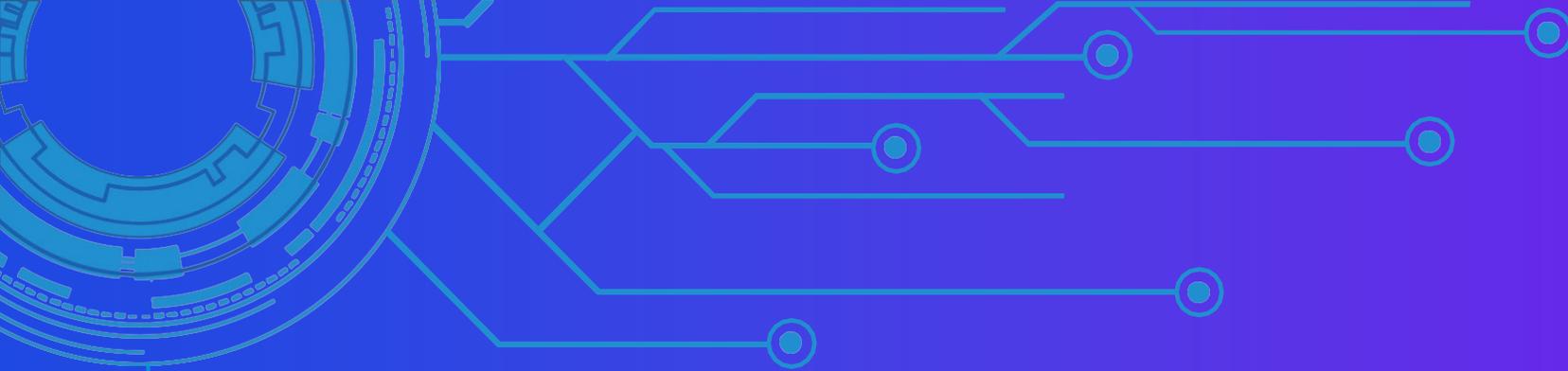


**JP Morgan  
United States**

Industry: Banking

Project: Digital Platforms  
Selection & Implementation





# Value Proposition

# KPMG's Value Proposition

## 1 Maturity Assessment

- KPMG will perform a digital maturity assessment based on the 8 critical capabilities for digital success
- Provide insights on trends shaping the company's key businesses and key local/global players
- Review the gaps and opportunities for improvement and identify initiatives

## 2 KPMG led Workshop Ideation

- KPMG will lead ideation workshops to define opportunities and impact of operating model, technology enablement and partner ecosystems in support of the new business model
- We will conduct design thinking workshops to ideate "game-changing" value propositions for your key clients
- We will identify the to-be client experience
- Prioritise solutions (short/mid term) into a short-list of disruptive opportunities relevant to your vision and ambition

## 3 End to end delivery of your digital strategy

- KPMG will work with you in crafting an ambitious and clear understanding of what digital means for the different aspects of the business
- We will define your digital strategy covering: the business and operating model, digital propositions, target technology architecture, high-level implementation roadmap and high level investments for prioritized solutions, and provide a digital strategy blueprint



# Q&A session / Open discussion





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