Digital Transformation Readiness

KPMG Advisory Services Limited

Addis Ababa, Ethiopia
May 2022
Digital Transformation Survey Results

Understanding Digital Transformation

Where Do I start? Digital Strategy and Maturity Assessment

Client Stories

Value Proposition
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
A view of digital transformation from the top

76% Disruption is Key
76% of CEOs see technology disruption more of an opportunity than a threat

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

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

88% 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

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

Out of 12 risks, EA CEOs rank the following as top risks threatening growth:
• Emerging technologies/disruptive technology risks
• Supply chain
• Cyber security
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?

- Ensure customers have secure, as well as seamless (across various customer touchpoints) experiences
- Improve profitability
- Explore new business models/revenue streams
- Improve governance or cyber protection
- Improve the quality of the employee experience
Your Digital Transformation Journey...

Where is your organization in its Digital Transformation journey?
- Just started: 47%
- Largely being implemented: 24%
- Not yet started: 18%
- Ongoing/ In Progress: 12%
- Not applicable: 24%

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: 88%
- It is a tactical response to the current environment and supports a short-term enterprise initiative: 12%

Do you have a digital strategy to support your Digital Transformation effort?
- Yes, we have ready digital strategy: 47%
- We are in the process of formulating a digital strategy: 29%
- We do not have a digital strategy: 24%
Which of the following emerging technologies are you using within your organization?

- Cloud
- Omnichannel
- Open APIs (to allow plug and play and real time processing)
- Robotic Process Automation
- Machine Learning/ AI
- Blockchain
- Internet of Things
- Other

- Awareness
- Exploring (researching, testing)
- Implementing
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.

- Engage your customers
- Empower your employees
- Optimize your operations
- Transform your products
Drivers for a digitally enabled environment

Social Media

- Social media has been an effective tool in creating newer forms of digital brand equity and has been instrumental in capturing digital customer journeys.

Cloud

- Omnipresence of data and information has caused organizations to leverage on cloud infrastructure.

Big Data

- The organization’s ability to manage myriad data types is key to the success of digital transformation.

Cyber Security

- Digitization of assets and customer environments often requires a robust security framework for long term sustenance.

Internet of Things

- With the growth of IOT, strong data management capabilities are in high demand.

Mobile and 5G

- To drive continual digital experience for customers, mobility is the center of digital innovation.

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 behavior and help provide a roadmap

**Siloed/Incomplete/Non-Existant Digital Strategy**
- Identification of the building blocks for a digital strategy, align goals and suitably apply the required technology needed to drive 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

**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

**Organizational Culture is misaligned with digital initiatives**
- Aligning people goals that strategically fit the objectives and digital initiatives

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

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

Our Connected Enterprise methodology will be the key driver of our approach and outcomes.
Building your Digital Strategy

Digital Objectives

Digital Strategy Outcomes

Measures of Success

- Value Realisation Framework

Understand Customer Needs

Synthesise Customer Feedback

Customer Proposition

- Customer Experience & Insights Strategy

Business Model Concepts

Digital Workforce

Operating Model Concepts

Partnerships & Collaboration

- Digital Operating Model

UX/ UI

Analytics, Robotics and AI

Channels, Integration & API

Cloud

- Technology Enablement Strategy

Prioritised Initiatives

Implementation - on road map

High level Investments

- Digital strategy blueprint
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
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