



Inside the mobile revolution

KPMG recently hosted a panel discussion on mobile engagement at the 2015 CeBIT Conference. Our panelists – representing two of the most innovative companies in Australia, FOXTEL and Alive – discussed how the mobile revolution is transforming the business landscape – inside and out.

Over the last 2 years, mobile has emerged as one of the most powerful channels in the business landscape. After a decade of discussion about the ‘potential’ of this channel, a massive and wholesale change in the consumer market has altered expectations of how businesses deliver their products and services – but it has also had an interesting impact on how businesses communicate on the power of content versus the power of distribution to their customers.

Comments Guy Holland, Partner in Charge, Digital Consulting at KPMG: “Mobile engagement models have myriad internal and external benefits. Mobile increases profitability, efficiency and creativity, allowing organisations to offer far more value to their clients.”

He notes that mobile devices intrinsically involve new ways of working and developing new products and services. “New revenue streams are opening up and new sources of competitive advantage are emerging. The key issue is how to best harness mobile, how to invest in the right way and how to manage any associated risks.”

FOXTEL has been at the forefront of embracing the digital age, so the company has been a forerunner in terms of realising the potential of mobile. They’ve also been quick to recognise and manage the step-change that mobile creates. Michael Ivanchenko, Director of Product at FOXTEL, says mobile has completely changed FOXTEL as a business. “In a short space of time we had to transform from being a broadcaster to treating IP, mobile and internet delivery on par,” he comments. “We thought we were a broadcaster, but actually we had to recognise that we were now a content aggregator, which was a huge difference.”



Power to the people

For Luke Harvey-Palmer, Chief Executive Officer at Alive, “It’s critical to understand that technology itself isn’t really at the vanguard of the mobile revolution. People, processes and product are,” he comments. Just building apps to solve a problem is a short-term solution, he argues. “It’s about technology and business working alongside each other to enhance a customer experience and to leave behind a legacy of transformed processes and mindset,” he adds. Those organisations that think innovation is just the next product are missing the point. “Having a more agile mindset about innovation is crucial, as is creating an environment where testing and validation can happen rapidly,” he adds.

This inextricable link between people and innovation sits at the very heart of the mobile revolution – because mobile completely changes the relationship with the customer. “We were creating a one-to-many experience where we were meeting requirements simultaneously. That no longer applies,” says Michael. “Mobile means creating myriad individual experiences – the control is with the customer.”

But the changing engagement with the customer by definition changes how things work internally. Comments Holland: “There are very broad implications in terms of how the changing interaction with the customer then implies different ways of working and a different culture.”

Ivanchenko believes that the question is no longer whether organisations will embrace mobile, but how the change management is executed to help leverage the mobile revolution fully. FOXTEL created a change management department to deal with these issues head on. “The department are part of our project management teams. From the start they had a remit of identifying and working out how to communicate and manage change throughout the organisation,” he explains. “This was necessary because we realised that if we weren’t driving change right through the workflow we’d just end up with unsustainable increased complexity rather than simplicity.”

The buy-in needs to happen at a very senior level, though. And if that happens publicly, it’s far easier to achieve a wholesale internal cultural shift. “Ultimately you need to change the whole organisation but you can’t do that overnight,” says Holland. “But if it’s championed at senior level then you’ll end up with a powerful snowball effect.”

Investing in the right places

The advent of mobile throws up the vexed issue of how much to invest in mobile versus other key areas. “The relative importance of having great content versus the widest possible access – and which creates competitive advantage – is the key question organisations are grappling with now,” notes Holland.

Ivanchenko at FOXTEL says ubiquity of access means you can’t just compete on quality of product; access, simplicity and a unified customer experience is critical. “Content is king, but without ease of use, simplicity and a unified user experience you won’t maximise the opportunities of that core content, so its value is compromised.”

The key lesson is that investment in both content and channel is equally important. And a pretty front end isn’t the biggest consideration: “Most organisations think of the user experience as the user interface. But the user experience is the complete pathway of how it all flows – from discovery of the content, through to sign up and use,” comments FOXTEL’s Ivanchenko.



Future forward

The most dangerous thing anyone involved in technology can do is look backwards. With the pace of change more rapid than ever, it's critical to be right on top of emerging innovation.

For Harvey-Palmer, the most exciting development in mobile is the democratisation of solutions. "We're seeing crowdsourced innovation through mobile platforms," he comments. "We're seeing unexpected developments based on technology platforms, such as the Apple Watch and HealthKit."

We're also seeing much more understanding of the power of the developer community. "In 15 to 20 years everyone will know how to do basic programming," comments Harvey-Palmer.

With such rapid innovation and empowerment of internal teams comes a key problem – balancing corporate workloads and the desire to develop and build platforms on their own time. An equally significant issue is how to use the changes in technology to bring outside expertise in.

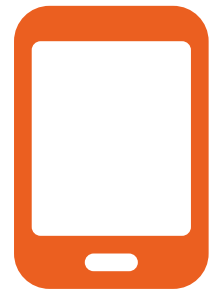
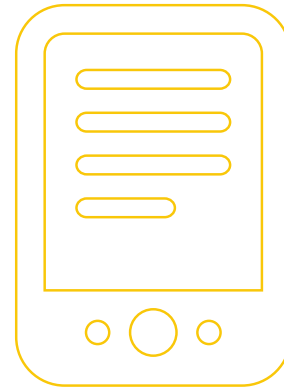
Says Harvey-Palmer: "Telstra invested in building out enterprise apps. They recognised that they had access to amazing data and APIs into so much of that data so they started to engage us in conversation about which of those APIs they could open to the public."

The next natural step is to invest in the development community. Coca Cola, for example, ran a hackathon 1 year ago and opened up its data to see how they could bridge the gap between business requirements and the customer experience, says Harvey-Palmer.

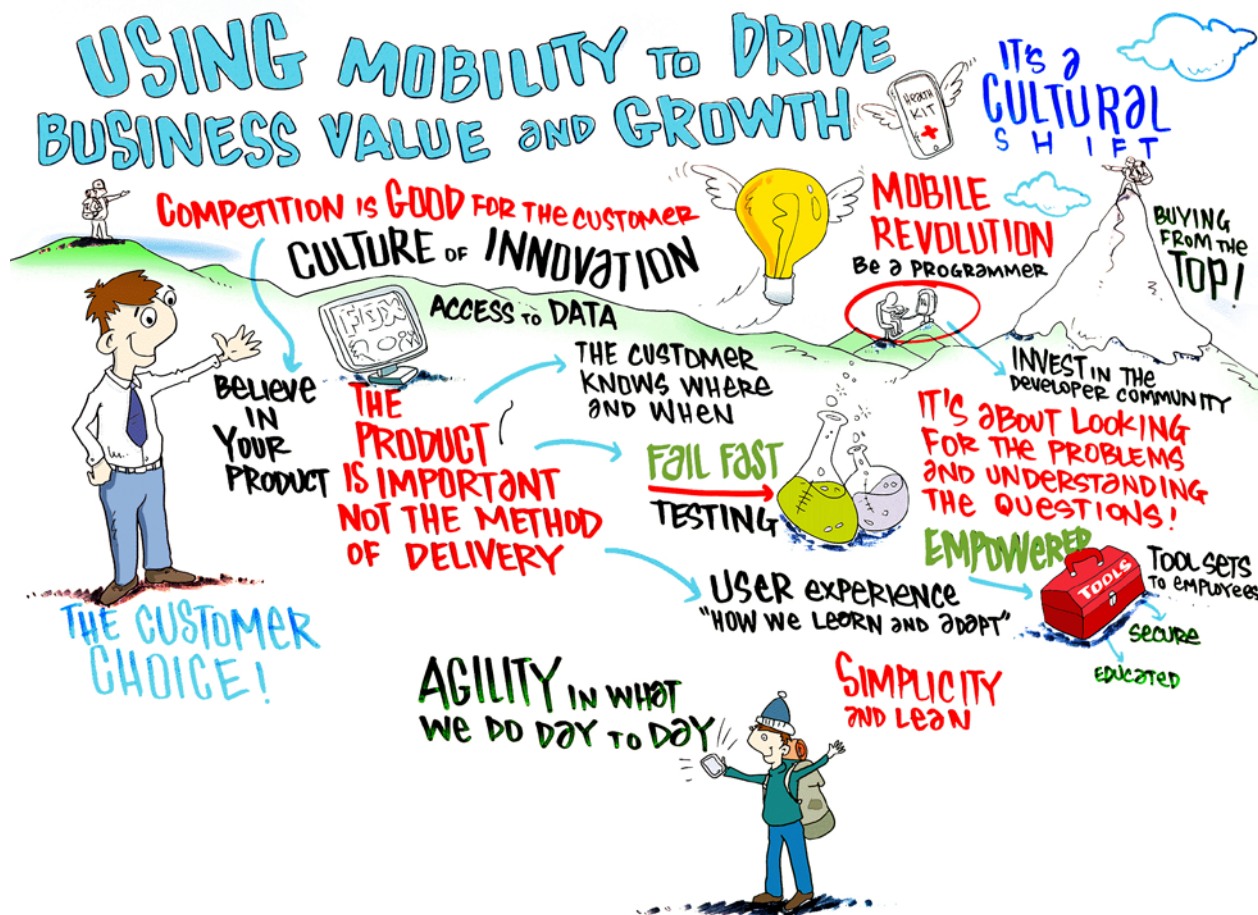
Ivanchenko at FOXTEL doesn't see any conflict between personal objectives and career development. "Companies need to make sure they empower their staff to innovate within their role and use what they learn in the personal space to benefit the company."

In terms of future developments, he's excited about trends in battery life improvement, screen resolution and flex and the internet of things drawing life and devices together. "At the same time new technologies are making the high cost barrier to entry go away, so we'll see more and more innovation from new sources," says Ivanchenko.

When it comes to mobile, the key thing Australian organisations need to remember is that launch is just the starting point. Notes Ivanchenko: "What matters is how you iterate, evolve and learn."



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