

Role of CFOs in the Digital Era

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DISRUPTIVE INNOVATIONS II

Agenda

1

Evolution of CFO role

2

The world is changing

3

Role of CFO in the Digital era

4

Are we ready?



Evolution of CFO role

Continued Evolution of the CFO's Role

<p>1980's</p>	<p>Keeping Score <i>"Efficient Finance"</i></p>	<p>Transaction Processing Utilizing Technology (e.g. Best of Breed) Reducing Cost of Finance</p>
<p>2000's</p>	<p>Partnering with the Business <i>"Efficient & Effective Finance"</i></p>	<p>Business Process Reengineering Leveraging Technology (e.g. ERP) Management Information / Decision Support</p>
<p>2010's</p>	<p>Realizing Value over the Long Term <i>"Value Creation & Value Preservation"</i></p>	<p>Balancing Performance and Risk Integrated Finance and Business Transformation Holistic Approach Sustainable Confidence and Value</p>

2020's
What Next?

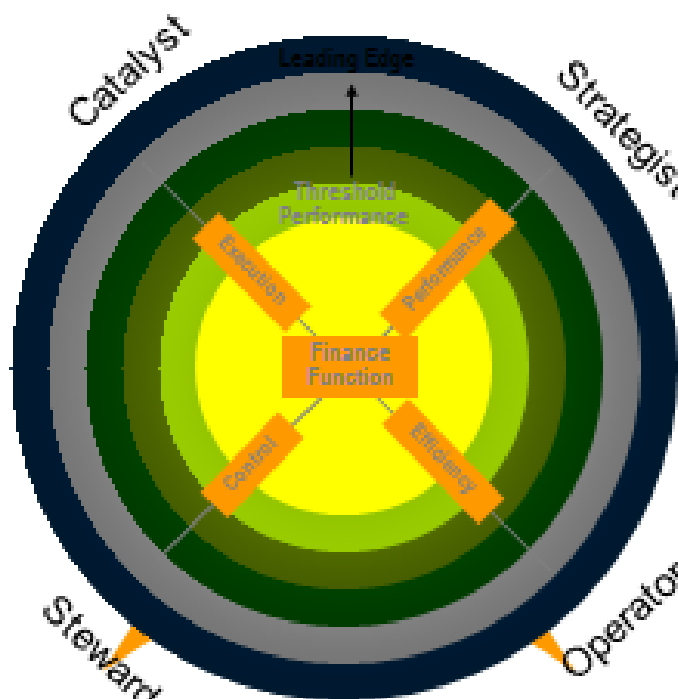
Perceptions of Finance

CFO role is moving from a evolved single function to involved multiple function

The Four Faces of the new CFO

Stimulate behaviors across the organization to achieve strategic and financial objectives

Protect and preserve the assets of the organization



Provide financial leadership in determining strategic business direction and align financial strategies

Balance capabilities, costs and service levels to fulfill the finance organization's responsibilities



Company Confidential

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Digital businesses are **disrupting** industries and professions



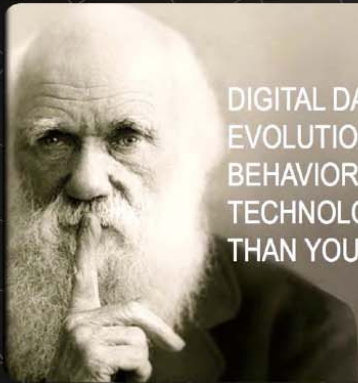
Whole industries are being disrupted

	Incumbents	Attackers	Why it matters
Banking	  	  	Up to 30% of bank revenues at risk
Retail	 	 	Mobile/Pinterest users purchase twice as much as online or in-store shoppers
Energy	 	 	313M smart meters installed globally; 1.1B by 2020
Communications	 	 	Whatsapp eating 50-90% of voice / SMS revenues
Hospitality	 		AirBnB valuation higher than most hotel chains, over 11mm stays and 750K listings

Electronic money, Micro deposits, Micro Loans, Mpisa like payments,

Our Businesses are entering the era of Digital & Online Efficiency
Physical Assets are losing value very fast !!

Disintermediation. Digital Efficiency. Consumer Empowerment
“Banking is essential. Banks are not.” Bill Gates



DIGITAL DARWINISM IS THE
EVOLUTION OF CONSUMER
BEHAVIOR WHEN SOCIETY &
TECHNOLOGY EVOLVE FASTER
THAN YOUR ABILITY TO ADAPT

Data lead digital disruptions

Driverless Cars and its impact to Industry & society



- No Parking fees or time spent on parking
- No Insurance
- No maintenance , cleaning, repairs etc.
- No waiting
- Personal driver
- No upfront cost for buying a car

Google driverless car



Will it be Honda
or
Toyota or Merc or
BMW

OR

Apple
Microsoft
Telsla?



Impact of Drones on Business & Logistics Crowd sourcing vs owing the resources !



Insurance and Technology disruption

Life in a Lab
Insurance
Home Insurance
Travel Insurance
Car Insurance
Auto Insurance
Life Insurance



Health Care trends and its impact to Hospitals

Healthcare trends and opportunities



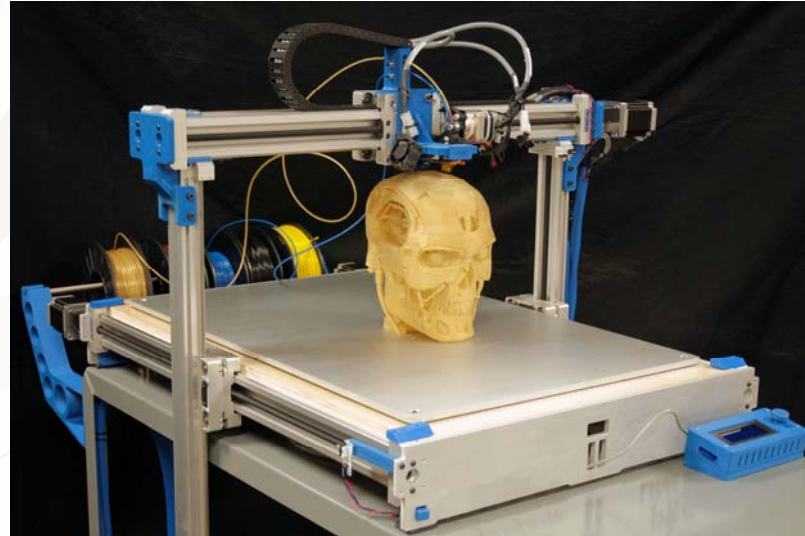
Lot of money will be spent on Prevention than Cure . Hospitals will have to change Normal medical tests which we do once a year will be done daily (Chip in the Toilette)

Drones , 3D printing, AI, Self Learning Robots??



INTRODUCING
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Amazon isn't the only reason Toys 'R' Us filed for bankruptcy

Published: Sept 20, 2017 9:45 a.m. ET



Timing of toy retailers bankruptcy filing suggests concerns over 'subdued' holiday season



By
**TONYA
GARCIA**
REPORTER



The winners in this digital era use data as a competitive asset



Yet only 15% of organizations have the capability to leverage data and advanced analytics across their organization.

—HBR Insight Economy Study

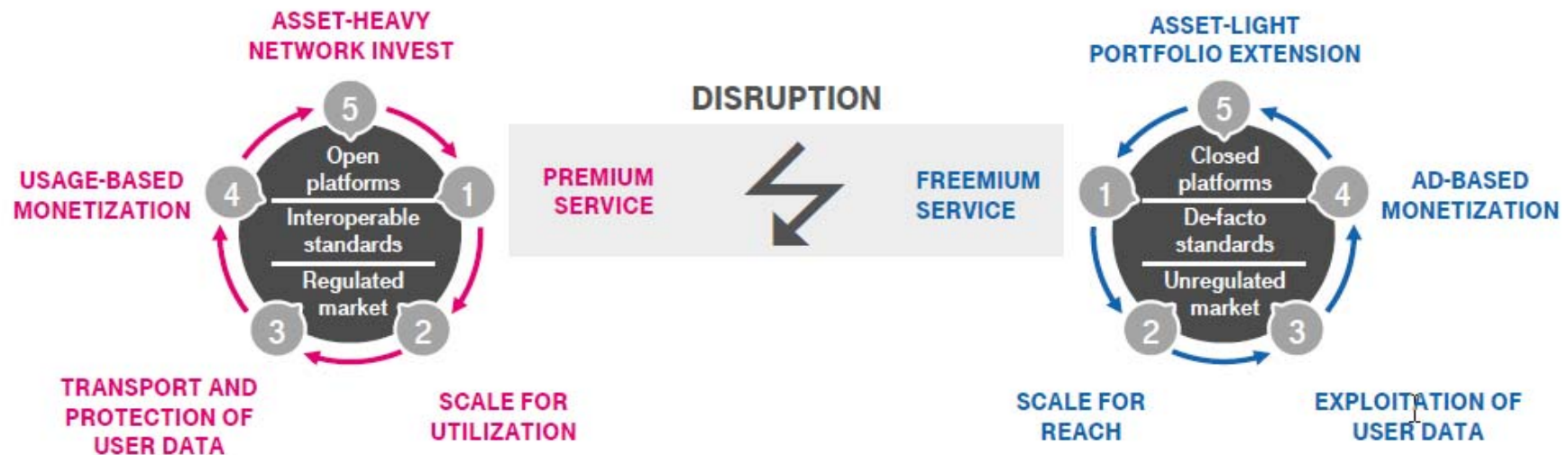
BUSINESS MODEL TRENDS

OTT DISRUPTION



TELCO BUSINESS MODEL

OTT BUSINESS MODEL



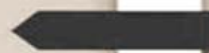
Music, newspaper, magazines. advertisement , music industry

Whatsapp 3 B subscribers

Uber

The world's largest
taxi company, owns
no vehicles.

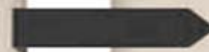
The world's most
popular media owner,
creates no content.



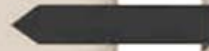
Facebook

Alibaba

The most valuable
retailer, has no inventory.



The world's largest
accommodation provider,
owns no real estate.



Airbnb

Something interesting is happening.

TOM GOODWIN

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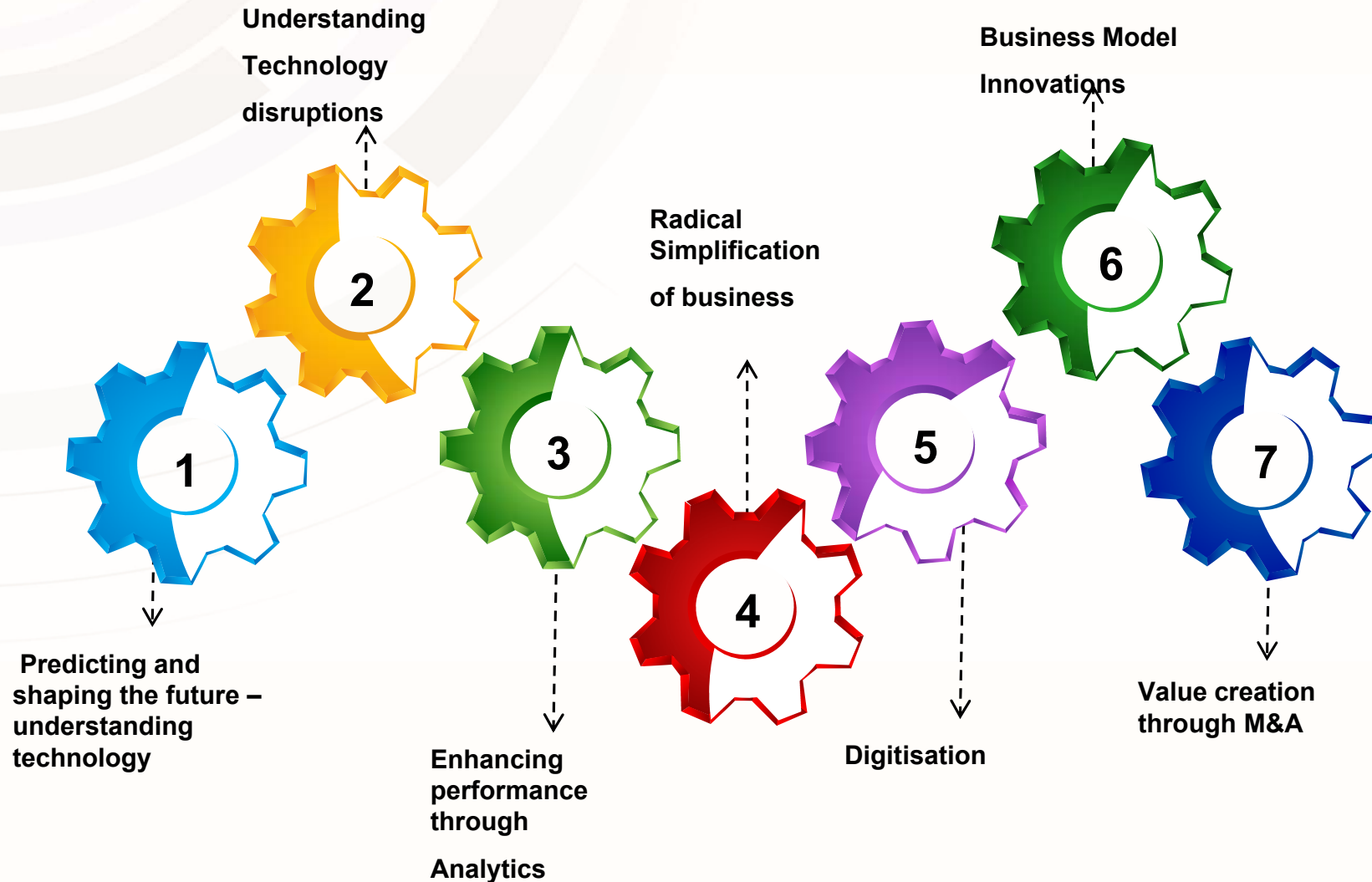
Are we ready?



**What will be
our role ?**

The new “STRATEGIC DIGITAL CFO” multi dimensional role

THINK LIKE A CEO ACT LIKE A CFO



What is expected of us??



Digitisation

- Sales & Marketing:
 - Online channels (purchase, reload, registration, e-care)
 - Digital marketing (email, social media)
 - Electronic bills
 - Online MVNO
- Productivity:
 - Centralised analytics & product development
 - Backend automation

Analytics

- Sales & Marketing:
 - Optimise retail outlets location based on profitability density
 - 'Next Best Action' in customer lifecycle management
 - Smart segmentation
- Productivity:
 - Efficiency in decision making and processes

Business Model & Simplification

- t
- Sales & Marketing:
 - Optimize customer touch points process flow (call centers & retail outlets)
 - Direct sales org.: manage dealers commission
 - Simplified product plans & bills
- Productivity:
 - Right sizing
 - Process & org. transformation

Business model transformation & Operational excellence

Disruptive initiatives, innovative solutions, rigorous execution

Big Data success stories



INTRODUCING

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Big Data will spell the death of customer segmentation and force the marketer to understand each customer as an individual within eighteen months, or risk being left in the dust.

— Ginni Rometty —

AZ QUOTES

Value Drivers for Big Data Use Cases

REVENUE

- 360 customer view
- Customer analytics (attrition and churn)
- Clickstream analytics
- Advertising optimization
- Recommendation engine

COST

- Data warehouse offload
- Mainframe optimization
- Truster Data Lake
- Dynamic Inbox Routing
- ATM Service Optimization
- Intraday Liquidity Management
- Intraday Position Management

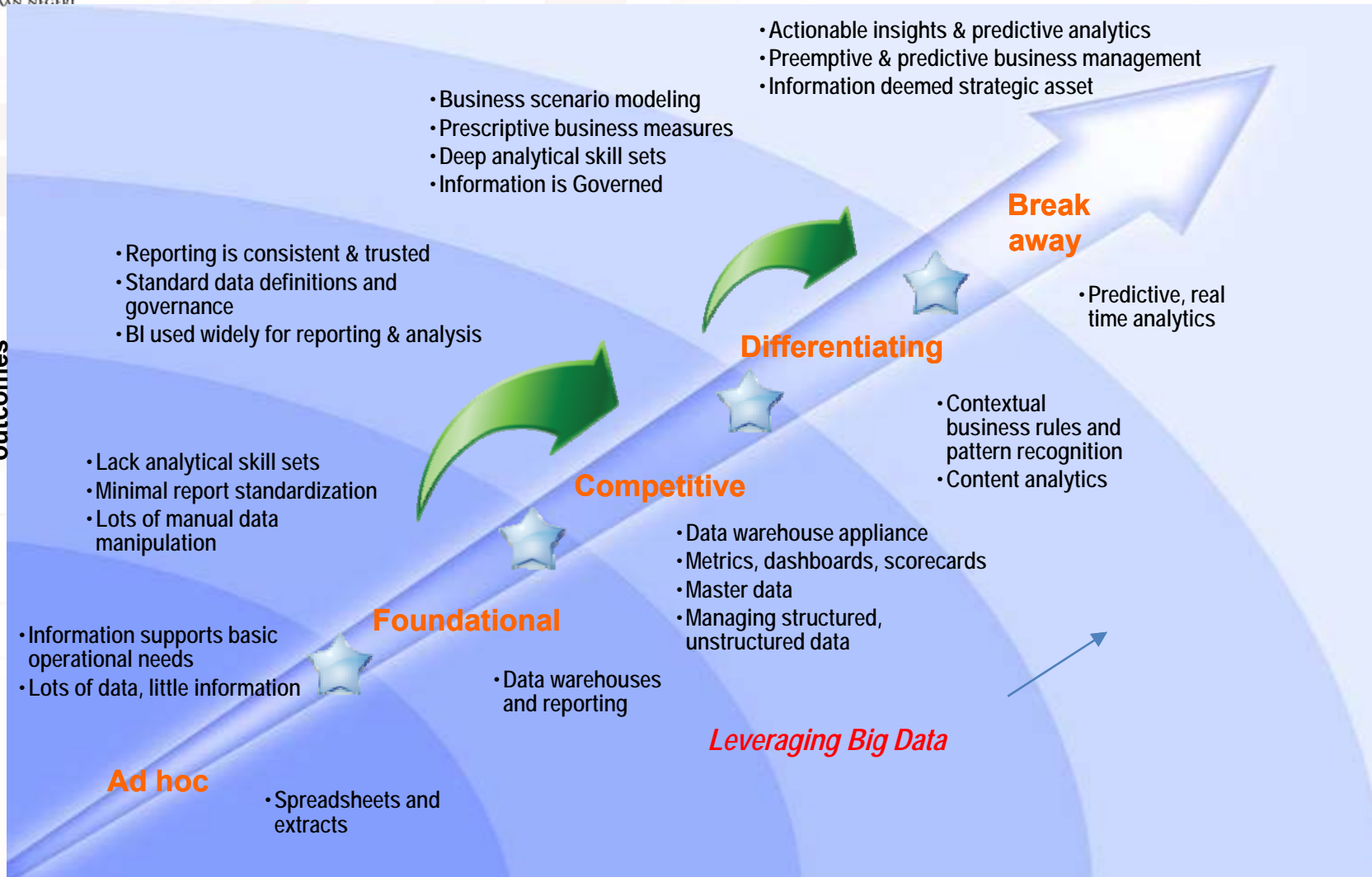
RISK

- Fraud detection
- Risk analytics
- Credit Risk Assessment
- Anti-Money-Laundering
- Fraud Rings
- Continuous Stress Testing
- Broker and Market Surveillance

Enhancing performance

Using deep business insight and exceptional analytical skills

Business Optimization
How the business applies information to optimize outcomes



Smarter Analytics maturity
How the business manages information and learns from it

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Top 10 skills needed in 2020

in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility



in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity



Source: Future of Jobs Report, World Economic Forum