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The Indian Corporate Experience of Digitalisation

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Abstract
India is quickly transforming into a digital country. The proof of this dramatic transition is remarkable. For example, the number of smartphones delivered in India is projected to increase by 82 percent from under 28 million in 2013 to more than 155 million in 2017. During the same time frame, the quantum of physical products bought online would increase by 77.5 percent, from US$2 billion to US$8.5 billion. To do this, businesses must build a comprehensive digital plan and reinvent their market and operating models. A systematic approach to measuring the digital maturity based on a deep knowledge of not just the technologies and experience is the starting point. It is important to understand that it is the legacy belief of a stable and predictable business environment that needs to change, and with that the very assumptions and foundations forming IT strategies. In this paper primary data has been gathered through questionnaire. It is observed that often digital integration is taken as SMAC only. Further, efficient IT system is doing well for them to leverage digitalisation and e-commerce is playing a vital role in achieving the target. Due to the existence of traditional system, the corporates are constantly unable to attract required skilled labour or employees for the successful implementation of digitalisation. It is concluded that digitalisation may results in huge revenues and overall growth of the country, if implemented in full essence. Still, it is a topic much discussed, and partially implemented by the Indian corporates.

Keywords: Digitalisation, SMAC, IT strategies

Introduction

India is quickly transforming into a digital country. The proof of this dramatic transition is remarkable. For example, the number of smartphones delivered in India is projected to increase by 82 percent from under 28 million in 2013 to more than 155 million in 2017. During the same time frame, the quantum of physical products bought online would increase by 77.5 percent, from US$2 billion to US$8.5 billion. And, to help with this digital transition, the number of app developers is projected to rise by 90% to 5.2 million by 2017 – 700,000 more than in the US. This growth has piqued the interest of the Indian business community. Much more than the internet, digitization is a sea revolution. Commoditization is a challenge to all industries due to technical developments, increasing purchasing power, and increased competition. The winners will have to respond quickly to develop a competitive edge that leaves their competitors baffled. There is expansion in E-commerce at an exponential rate. India's digital talent pool is also rising.

After achieving efficiency in approaches to support IT processes it was possible to reduce costs and develop transparent value chain to customers, next step is to digitalise business processes related to customers, workforce, methodology etc. The increased digitalisation is now changing the game completely. There can be eight forces driving the change:

- Automation of processes and businesses
- Evolving behaviour of customers (engagement/services, mobility, social media)
- New digital competition
- Demand for better information management has increased (business intelligence, ERP, big data)
- Global IT services (IT outsourcing and cloud services)
- Demand for security and integrity has increased
- Digital innovation (co-creation and crowd innovation)
- Company structures and disruptive innovations

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It's critical to recognize that the legacy conviction in a secure and consistent market climate, as well as the assumptions and frameworks that form IT strategies, must shift. The environment is not stable, and standardisation of IT services and IT outsourcing based on long performance contracts will not create business value in the future. Long planning horizons are not feasible. Today, it is no longer about operational excellence but rather about customer intimacy, where IT is forced to understand the business expectations and adjust quickly to create value.

Some instances of digitalisation, and its positive impact on the overall business can be seen with the help of following examples.

One may say that digitalisation in India is backed by mainly three factors namely, increasing number of digitised consumers, digital data growth and appetite for e-commerce of Indian consumers. If we go by data, shipment of smartphones in India is growing exponentially, mobile data traffic is in peta-bytes and online shopping of physical goods is in millions. With this mind-set one may understand the need and urgency of implementing digitalisation in India by the corporate sector. It provides not only strategic ways to put Indian corporates at par with their multinational competitors rather give them occurrences of long-lasting profits.

CCD has grown to become India's largest integrated coffee chain. The firm, like many others in India, embarked on a digitalisation journey with little forethought. CCD built a strong presence on Facebook, Twitter, and other social networking engines, realizing the increasing growth of social media and the accelerating penetration of mobility. CCD executives felt it was time to use social media as a platform for doing more, especially for generating new value, after gaining more than a million Facebook followers. They started experimenting with social media to collaborate with consumers on new products. CCD has devised a cost-effective and flexible method for including consumers in the production and delivery of new goods, such as the Crunchy Frappe. As a result, the company was able to rapidly deliver the offerings while still growing customer trust. CCD is an outstanding example of how enterprises should shift away from focusing exclusively on their employees to instead crowdsource revenue-generating innovations, which is one of the main digital imperatives.

SBI realized that focusing on its vast and prosperous client base of people in their 45s and older while ignoring the rising young demographic might jeopardize its leadership role. To increase its client base, it needed to look beyond the box. It will have to follow the banking activities that hyper-connected, well-informed, value-driven young consumers, known as digizens, favour. As a result, SBI created SBI-In-Touch, a new sub-brand aimed directly at this demographic. SBI launched multi-function kiosks, immersive wall and table boards, smart ATMs, and debit card printers to provide millennials with a seamless digital interface. These computers, some of which are being made available to consumers in India for the first time, now have a wide range of sophisticated digital banking capabilities. SBI has developed a full-fledged digital technology infrastructure that incorporates the strength of analytics, cloud computing, social media, and connectivity to deliver a customer-centric, real-time interface.

Key features of digitalisation
- The business goals are customer centred and data driven that will generate revenue in the long run.
- Area under consideration is the whole business model, not specific to any function of business or management.
- Since the centre of model is customers, it is more personalised in nature and targeted towards mini segmentations.
- Instead of development of software or processor mechanism, there are developments of apps.
- The results of digitalisation are seen in terms of new products and services to achieve desired goals in the market and positioning of the business.

Review of Literature
Vig (2012) [10] proposes that e-governance plays a pivotal role in expanding the scope of corporate governance and has become important on account of scams and frauds committed by the companies. Electronic support stimulates good governance and goes further to enhance transparency and efficiency. Their study provides sufficient disclosures, open dealings, and a dedication to principles and responsible business practices are all components of Corporate Governance. e-governance is important for fostering good governance practices, meeting business compliance requirements, and ensuring maximum accountability was well established by Vig's study. The three major contributions to e-governance, according to Richard Heeks (2001) [6], are strengthening government processes (e-administration), linking people (e-citizens and e-services), and creating external interactions (e-society). Using case study methods, the author investigates various countries around the world that have implemented ICT to improve production. Also, the strategic challenge of readiness of the e-governance practices and managing the design-reality gap has been studied by the author by identifying six questions to be answered and formulates a model to predict the e-governance failure and success rates. The paper concludes that e-governance can play a significant role in current and future growth. It has the potential to significantly increase the quality and competitiveness of government, as well as provide crucial future credibility for the government. According to Tapscott and Agnew (1999) [9], the digital age would redefine two relationships: one between the government and citizens as customers of government facilities, and the other between the government and citizens as owners or shareholders. The authors conclude that in the digital era, as new e-governance models develop, all the stakeholders of the economy, government, citizens, private players will leverage from it and better governance will be the result. E-governance, as described by Mittal (2004) [7], is the practice of using information technology to automate both the government's internal activities and its external relations with people and other businesses. The advantages of e-governance as a platform for lowering the cost of designing, implementing, and maintaining government solutions are mentioned by the author. The architecture offers libraries of solution components such as security handlers, record management components, and user interface components that can be customized individually for each solution using a wizard-like interface. Garson (2006) states that in e-governance there are no distinct boundaries and the three target groups in e-governance are Government, citizens, and business. Valentine (2014) [3]

proposes that digital savvy and technologically enhanced board is important. Despite this, attempts to enhance enterprise business technology governance (EBTG) collective competency are minimal. The Chief Information Officer's (CIO) position is crucial in shaping and improving EBTG knowledge and expertise within the executive team and the board. He explores how CIOs will lead digital transformation and redesign IT as a top market priority. Rossel, Pierre, and Matthias Finger (2006) [4] conclude that the structural governance of network industries (post, telecom, energy, air and rail transportation, and water) is lacking, and that the constructive use of ICT in these industries' governance practices is undervalued. The paper uses a case study approach to further illustrate the current e-governance practices in network industries and lists the future potential of ICT in governance of network industries. Claudiu Brandas (2011) [2] analyzes the architecture of the corporate governance systems. The author identifies and classifies the systems and technologies involved in ensuring CG support to organizations. The paper also recommends implementation of a decision support system that would integrate all the elements of an organization to improve efficiency in corporate governance.

Objectives of the Study
Main aims of the present study are
▪ To take an insight into the shift of Indian Corporate Sector to digitalisation.
▪ To assess the awareness level and desired action plan required to implement digitalisation.

Data and research methodology
In this paper primary data has been gathered through questionnaire. From April to June 2016, we polled about 50 senior executives to determine their readiness to capitalize on this rapidly evolving opportunity. We learned that executives had a high degree of knowledge of new and emerging technology (such as Internet of Things). Digitalisation is also a strategic development priority, according to the executives we polled. However, many people are unprepared to confront it from a place of strength.
First of all, secondary data through various like academic journals, corporate annual reports, media etc., resources have been gathered and related concerned areas have been identified to conduct survey.
Finally, we had focused on the following areas to check whether digitalisation is implemented virtually or practically by Indian Corporates.
I. Digital cognizance and intent
● Determining the degree to which people are conscious of and appreciate SMAC (social media, mobility, analytics and cloud and non-SMAC digital technologies).
● There is a need within the company to use both SMAC and non-SMAC technology to meet market objectives.

II. Digitalisation concentration
● How well do SMAC innovations play a role in their business?
● What position does SMAC technology play in effectively addressing an enterprise's competitive priorities?

III. Strength of digital technology integration
● How well do businesses use the combined influence of different emerging technologies to accomplish their objectives?
● Barriers that businesses face in exploiting the combined strength of emerging technology.
● Risks associated with barriers in implementing digitalisation.

IV Intensity to collaborate towards achieving digitalisation
▪ Is it possible to use collaborations/collaborators to create and deploy digital technologies?

V Investments and desires towards digitalisation
▪ The effect of emerging technology on companies' future earnings, both now and in the future.
▪ Vendor companies' ability to work towards completely using the potential of emerging technology.

VI Strategic Imperative Plans
▪ Important strategic plans made and implemented by the corporates to achieve business goals.
▪ Hurdles in the implementation of strategic plans and their follow-up plans.

Before conducting the final survey, we test the reliability of the questionnaire to get the consistent results. Finally, survey and interview results were analysed in order to define firm-level competencies that must be established in order to excel in this field.

Analysis and interpretation of data
As per the results achieved through survey, we had derived the diagram shown in Figure 1. It shows the level of awareness among corporates towards digital integration. With the help of this it can be easily said that often digital integration is taken as SMAC only. As majority of the concerned executives target more towards SMAC as compared to customer value creation and business processes change.
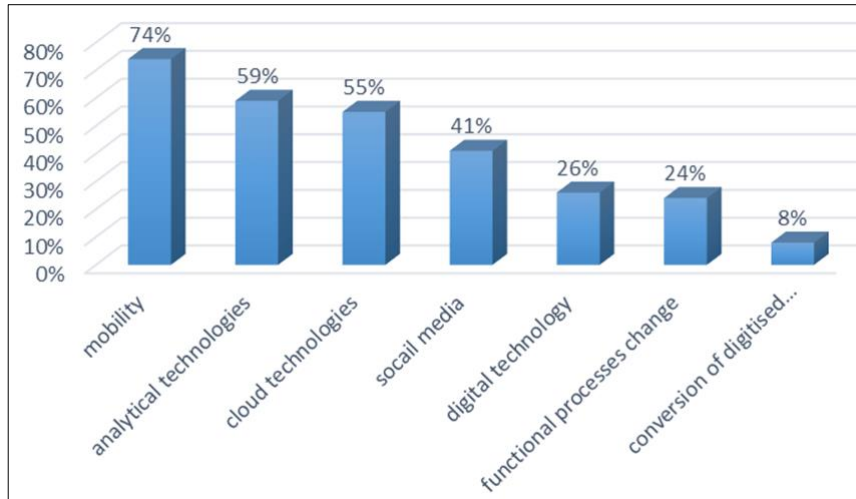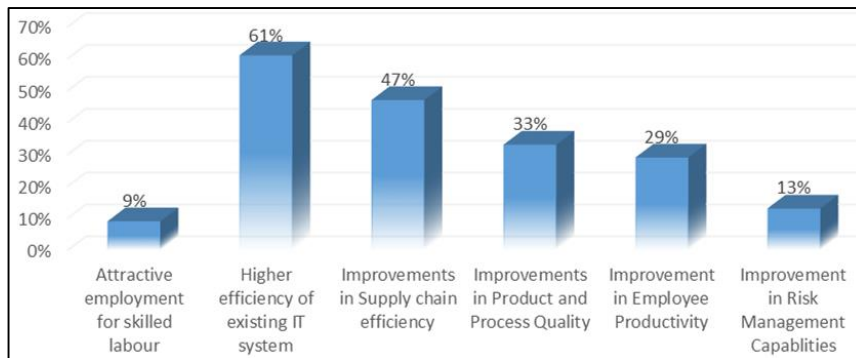
Fig 1: Implementation of Digitalisation

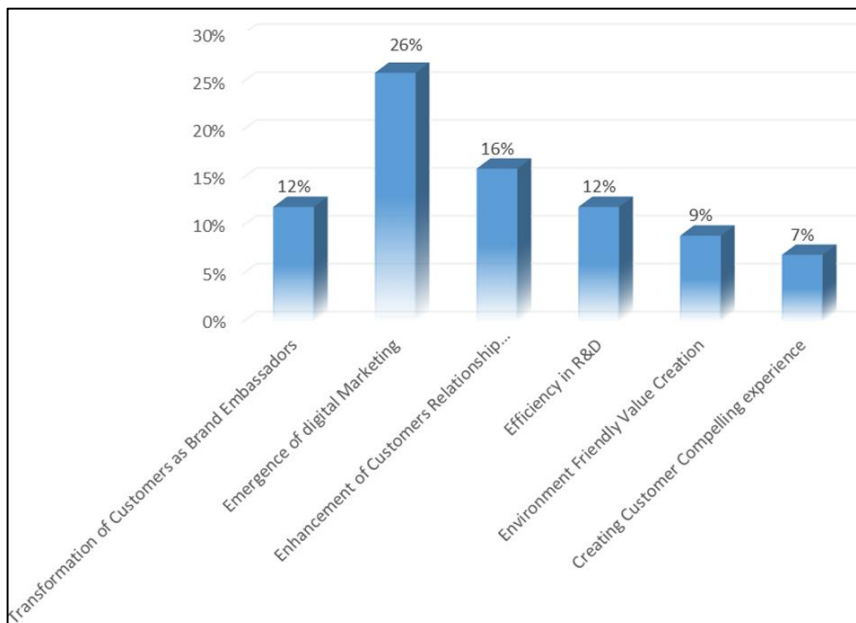**Fig 2:** Level of Achievement (Industry)

Fig 3: Level of Achievement (Company)

The above diagrams of Figure 2 & 3 clearly demonstrate the level of achievement in terms of different concerned areas. These results are again consistent with the previous conclusion that majority of the Indian corporates confuses SMAC with digital integration. Accordingly, efficient IT system is doing well for them to leverage digitalisation and e-commerce is playing a vital role in achieving the target. Due to the existence of traditional system, the corporates are constantly unable to attract required skilled labour or employees for the successful implementation of digitalisation. The target is still a long way, yet in some dimension corporates have achieved noticeable success like, efficiency of IT system, improvements in supply chain, emergence of digital marketing etc.

Undoubtedly, high cost of implementing digitalisation is a major risk faced by the corporates (Figure 4). By analysing the results, we may conclude that high cost incurs due to the lack of strategic planning for digitalisation. Thus, this is the

derived risk or barrier associated with other risks. Thus, it may be concluded that digitalisation may results in huge revenues and overall growth of the country, if implemented in full essence. Still, it is a topic much discussed, and partially implemented by the Indian corporates.
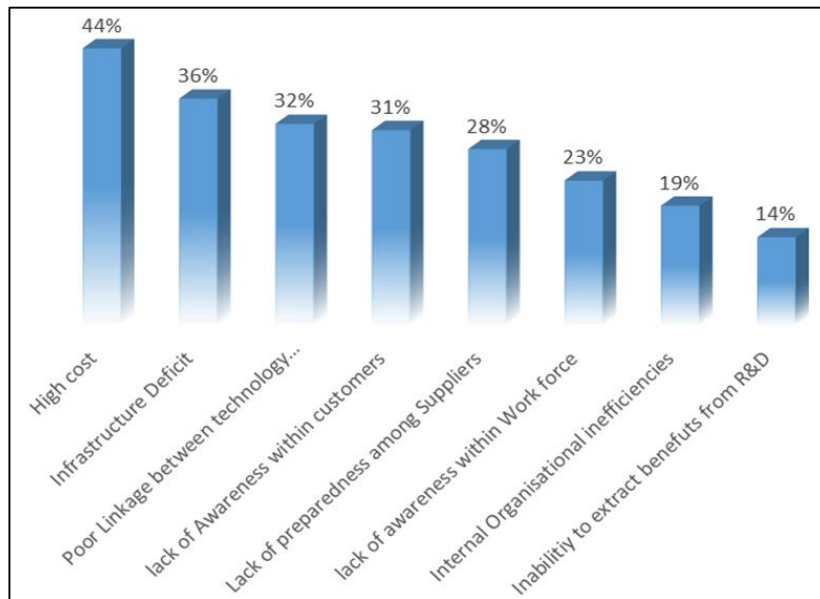

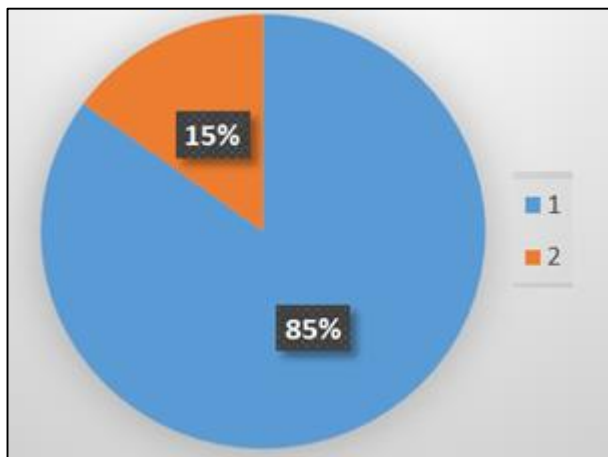**Fig 4:** Level of Inefficiency

Fig 5: Percentage of Executives Recognize Strategic Imperative

Among all the executives we surveyed, majority shows positive behavior to integrate digitisation in their business model. Majority agreed that success can be achieved in the present context only with the help of digital integration and it will be long lasting also.

Conclusion
Digitalisation is definitely a win-win strategy for Indian corporates if implemented efficiently considering all the associated barriers. Till date, most of the corporates accepted the cruciality of it and shows positive attitude to implement the same. Yet it is often confused with SMAC and not integrated in totality. Even the executives accepted it in totality, lack structured plans to implement the same. This risk can be easily seen and analysed in terms of tradtional structure barrier to implementation. So, it may be concluded that having huge potential of revenue, digital integration is a much talked matter, rather than practically implemented.

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