



APAC digital transformation

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The companies who are best able to manage interconnectivity and interdependencies, will be the winners of any digital transformation

Digital transformation is not so much a destination, but a journey many organizations are still navigating. As we progress with our own digitalization, success will be measured on the outcomes we create for our clients. That means reframing mindsets, culture and technology with the client at the centre of the journey, focused on transformation in terms of market opportunities. Ultimately, we need to ask ourselves; have we made it easier, faster, simpler and smarter for people to engage with us?

Delivering a world where everything is INTTerconnected is a guiding principle behind NTT and it is the approach we have taken for our own digital

transformation. NTT was created because of the merger of 31 companies and a simple ambition, to better serve clients in a changing technology market.

How we manage both the interconnectivity and interdependencies to form one business and across our regions, as well as our subsequent journey, determines how successful we have been.

It's a journey that can only be measured by the tangible benefits it delivers to our clients, employees and the business.

With a strategy defined at a global level, the reality of how it is implemented comes to the fore in the regions. The Asia-Pacific (APAC) region is as diverse as it is broad, stretching over a variety of economies that take influence from both Western and Eastern countries.

With our own subsidiaries of those 31 organisations sat across our region, attention turns to how we implement the global strategy in the APAC region across three core initiatives.

Operating company integration

The challenge of bringing multiple, disparate businesses together is exceptionally complex. And not just in terms of technological alignment through a shared architecture but ensuring the right balance between conflicting

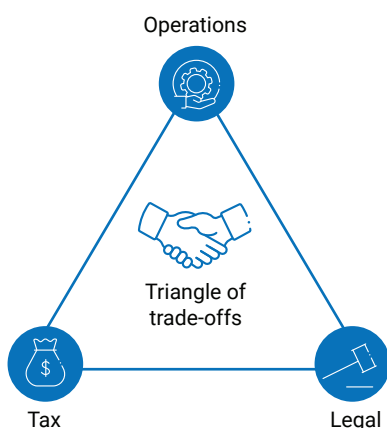
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outcomes the business is trying to achieve. There's a 'triangle of trade-offs' to consider, which in this instance is about managing legal and contractual innovations, tax implications and operational efficiency. Interestingly, some of these are diametrically opposed to each other.

What is important however, is to understand the chain of implications when deciding to prioritize one outcome over another. For example, any possible legal or contractual innovations being delivered as part of the integration could trigger a change in control with some parties.

As far as tax is concerned, of the organisations coming together, the decision to be made in APAC was which business became the primary legal entity? And because of that, what are the tax implications of moving the assets into that legal entity? While it may make sense to move assets into one business to ensure greater operational efficiencies, the tax implications of that move can be significant.

As we progressed with the integration, our leadership team needed to prioritize. The decision was made to minimize changes to legal and contractual implications for clients, as well as changes to our taxation structure. However, this came at the expense of being able to deliver better operational efficiency within the business, at least in the short term. Therefore the second imperative, data harmonization, was critical towards helping us achieve greater efficiency as the integration progressed.



Another significant component of this first initiative was people and culture. With a multitude of organizations coming together across the APAC region, getting the correct balance in our leadership team was critical. We had to ensure as smooth a transition as possible for our people.

To deliver on this in APAC, there was a deliberate move to have a balanced leadership team, representative of the major businesses that formed the new entity. And while a company culture isn't created overnight, the coming together of different types of businesses, with different ways of doing things was carefully managed to ensure as much diversity of thought as possible.

A balanced team is required to be able to listen to everybody. Inward reflection is critical as we all come with a bias of what we know and what is more intuitive to follow. It's about spending more time trying to understand the things we don't know to uncover the nuggets of gold that will become part of the new organisation as we continue forward.

Learnings and advice across APAC

- Ensure a balance of people across teams to get the most out of any integration
- Caliber of leadership and their alignment to the global strategy was critical to rolling out initiatives faster, and with trust and confidence
- Consider what your priorities are and balance them out. It's not possible to have everything working from day one. There will be trade-offs, but ensure plans are in place to address those trade-offs.

Harmonization through data

Data is truly the source of competitive advantage. One of the core changes and critical enablers for a digital transformation program anywhere in the world is a focus on becoming cleaner in the master data you hold and master data governance. In that regard, data should not be considered as a technical program, it's fundamentally a core business program enabled through technology.

However, done successfully and the impact will be felt across the entire organization. Not just in terms of income generated, but importantly client and employee experience, as well as the closing of any operational gaps – as we identified in our 'triangle of trade-offs'.

Data is at the heart of our own transformation. Historically, change is typically viewed across three capabilities: people, process and technology. But in the new digital world, the paradigm has shifted. To embrace this means considerable change management and a shift to a client-centric model. It's about making sure that how our people work and how we utilize their skills aligns back to the client experience and to what our clients need.

For our own transformation, data is viewed as the vital fourth cog in the client experience wheel. It meant shifting our traditional thinking of capabilities as people, process and technology, to people plus process plus technology plus data.

For example, our move into S4 HANA environments was about ensuring the organization could harmonize the 31 affiliate companies and their different legacy environments through an alignment around data. But where to start?

Data is at the heart of our own transformation.

Consider its impact across three stages:

- Short
- Medium
- Long-term

We considered the impact our data could have across three stages: short, medium and long-term.

The long-term view of data is that we treat it like our crown jewels. And while it won't necessarily bring the business any return within 12 months, (more likely pain), it will uncover the nuggets of gold that exist across the organization that longer term, will make significant and fundamental impacts to our business and the direction we head.

Then there's considering data in the mid-term, whereby we seek to simplify and standardize data across the different APAC countries, all of whom have several different ERP systems. Finally, in the short term, it's about understanding how data can be an asset and generate the most tangible benefits for you immediately i.e. cost savings.

And while all three outcomes are immediately desirable, they're not achievable in unison and we must consider our 'triangle of trade-offs' once again. Data as a short-term asset was the ultimate guide initially, which is almost inverse to what is naturally intuitive i.e. that the business benefits from understanding how data can be used to drive new insights and innovations.

As an example of the above, the APAC leadership team took the initiative and was the first region globally to have people in the region on Salesforce. As a market-led function, our power is in our go to market strategy. We needed control and visibility of our opportunities around the funnel. Thus, getting everyone on Salesforce in just a few months, helped drive and maintain our go to market cadence and fueled the pipeline engine to ensure we didn't miss a beat with our clients. Once that was complete, we were able to move onto the global instance of Salesforce within a matter of months.

Once this initial stage was complete our S4HANA journey began, with the decision to get to the reporting level of harmonization, implementing central finance globally. Underlying ERP systems remained in place, which then fed into a globally harmonized view, enabling a standardization of accounts.

From here we were able to bring the reporting layer into central finance, activate several finance modules, before being able to decommission multiple ERP systems and remove the duplication that sat across different businesses. This delivered faster business benefits around cost savings and the greater operational efficiencies required.

Learnings and advice across APAC

- Data programs are not something technology teams can manage alone. It must be done jointly with the business as the conversations are so interwoven and require joint decision-making.
- Be very clear on the standard of quality acceptable within the time and money operating parameters. What is non-negotiable and what are you prepared to forgo to achieve your goals?
- Acknowledge when you don't know something and bring in the experts. It's best to buy the expertise in, rather than fumble
- Try to anticipate which areas of your business will be hit hardest by the changes and ensure there's enough bandwidth and capacity to manage it.

Business Process Excellence Program

As technology innovation cycles shorten, organizations globally have accelerated their own digital transformation journeys. Our own business was not exempt from these impacts, with the need to innovate, grow and develop to remain relevant and competitive. This includes continuously improving both the end-to-end service provided to our clients and the efficiency of internal processes.

As part of our digital transformation initiatives, we initiated a global Excellence Program, which was supported by best-in-class business process service partners. Working with them, we were able to introduce operational efficiencies in select back-office functions, particularly relevant for us in APAC where two shared service centers are located. This was necessary to maintain efficient, controlled processes and enable us to become a more agile, innovative and sustainable business.

It also meant we could focus on our core business: a services-led approach to create differentiation, efficiencies and optimize our clients' IT environment, leading to better business outcomes. Additionally, it sets us up to make continued investments in our people and innovate across our IT services and infrastructure, networks, cloud and edge, all elements that will enable us to help our customers with their ongoing digital transformation.

Learnings and advice across APAC

- Speed versus quality of delivery is always a balance. Do you run through the pain to get to where you need to faster? Or do you spend more time on preparing and focusing on quality to understand what the organisation needs to look like? There's no right or wrong answer, it depends on what your priorities are.
- In APAC specifically, more time was spent on the design of the future operating model, however this must be done in line with the global strategy.
- Ensure you have a solid communications plan and give leaders plenty of time to prepare. Once they're fully on board, the rest of the business follows. If you invest plenty of time in planning and quality, the chances are more likely you will be successful.
- Finally, consider the context of the environment you're operating in. We began this phase of the transformation through COVID, which while not ideal for knowledge transfer, was something we simply had to deal with. Make decisions based on what and how you see things.

While our journey continues across APAC, the region has been at the forefront of ensuring a successful transformation. Staying aligned to the global goals and initiatives is critical, however catering for our regional nuances and needs is just as important. Ultimately, we must constantly ask ourselves, have we made it easier, faster, simpler and smarter for them to engage with us? Only then will we have known if we have truly succeeded.

