

Business transformation: a key imperative for the ‘new normal’

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The pandemic transformed our world as we know it, creating many challenges – and a few opportunities alongside – for businesses. While most organisations have survived and even emerged stronger from the experience, no one can deny the presence of a ‘new reality’ with uncertain recovery, changing consumer preferences, digital pervasiveness, loaded balance sheets and emerging hybrid virtual working models.

As organisations reorient towards newer ways of working, companies are focusing on a few levers for a more sustainable future.

Building customer centricity

As consumers incorporate digital into every aspect of their lives, enterprises are focussed on creating not only newer digital business models and revenue streams, but also next-generation operating models that can support a seamless digital customer experience. Products are not necessarily the main differentiators anymore; rather the differentiator is platform-based business models with digital channels at the core and a singular focus on customer centricity that are offering competitive advantages. The future success of companies across sectors will be defined by their ability to provide customers with a contextualised and personalised experience at every stage of the customer journey. The ones who make superior user experiences and delight the cornerstone of their strategy, decisions and culture are expected to emerge as winners.

Strengthening the operational backbone through automation

Intelligent automation is increasingly considered as an important catalyst in enabling a shift towards ‘smarter’ organisations that are geared to operate from a remote environment. Intelligent automation is disrupting traditional ways of improving operational efficiency, cutting costs and enhancing overall customer satisfaction across the value chain. Implementation of internet of things, artificial intelligence and cognitive automation are some of the interventions that are being deployed to make organisations resilient. Today’s technology is executing tasks based on data and learning, allowing humans to focus more of their attention and effort on growth, creativity and innovation. With 5G on the anvil, organisations are also evaluating private network use cases that can support smart campuses, smart offices and smart factories. 5G is estimated to unlock USD4300 billion¹ in new market opportunities across all industry verticals.

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Redesigning the core organisation structure in the wake of changed working models

Post experience of the pandemic, there is a renewed focus on performance, productivity and efficiencies. Organisations need to look at rebooting their people strategy, focusing on critical elements such as future workforce landscaping allowing for gig, neo gig and liquid working models to exist. The after-effects of the pandemic also saw a plethora of skills emerge as essential for business continuity from a people's perspective, especially the digital skills. Reskilling and creating a future-ready workforce is at the forefront of human resource (HR) strategies. While tasks are being automated with greater digitalisation, roles and processes must be redesigned alongside to realise its transformational productivity potential.

Managing cost

Companies are now focusing on building leaner organisation structures and as a consequence, all discretionary spending is being re-evaluated. Marketing and advertising expenses, which have historically shown a direct correlation to gross domestic product (GDP) growth, have been significantly cut, along with other areas of indirect spend.

In summary, while market dynamics are shifting continuously and the future remains uncertain, companies that focus on mitigating short-term challenges as well as planning for a more sustainable recovery will emerge in the best position. Organisations will need a concerted strategy to make their businesses future-proof and resilient.

¹ The 5G edge computing value opportunity, KPMG, June 2020