

# A glimpse into the future: post-pandemic evolution of technology in organisations

July 2021

By Akhilesh Tuteja, Global Cyber Security practice, Co-leader, Partner and Head – Digital Consulting, KPMG in India

(4 min read)

## Key takeaways:

- *As enterprises across industries take stock of the magnitude of the unexpected transformation, they are turning to technology to find solutions*
- *Organisations across industries will benefit from the digital transition, but each industry will have its own trajectory of transformation*
- *Technology can lead to world of possibilities however adoption comes with a set of challenges*
- *Key recommendations to consider while developing a strategy to take advantage of digital technologies.*

As the world undergoes unprecedented change while facing a period of uncertainty, there is but only one certainty - the COVID-19 pandemic will permanently alter businesses for the long term.

Digitisation has seen extraordinary interest from business leaders over the past year and a half. Those of us who have been an intrinsic part of the technology world have been gazing into the crystal ball trying to determine how technology will impact the future. Now suddenly we are inside the future watching it take shape right before our eyes.

According to the KPMG 2021 CEO Outlook Pulse Survey, 66 per cent CEOs in India felt the pandemic has accelerated the digitisation of operations and the creation of next-generation models. In essence, digital is driving the future and there is no going back.

## World of possibilities

As enterprises across industries take stock of the magnitude of what this unexpected transformation might mean for them, they are turning to technology to find solutions for the following expectations:

1. Contactless interactions
2. Extreme automation to reduce dependence on human availability
3. Agile, secure, robust, and scalable systems
4. Anytime anywhere access, and
5. Real time visibility.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Organisations across industries will benefit from the digital transition, but each industry will have its own trajectory of transformation. Let me highlight the potential digital transformation opportunities in two very different industries – manufacturing and banking.

**Manufacturing:** These uncertain times put a lot of pressure on the manufacturing industry owing to supply chain disruptions, unavailability of labour and highly volatile demand.

The progressive organisations will:

- Leverage Industry 4.0 solutions to deliver intelligence throughout the shop floor operations and increase end-to-end supply-chain transparency
- Fast-track automation programmes to address worker shortages arising from COVID-19
- Accelerate deployment of sensor-based technology and IoT to reduce the number of people on shop floors
- Extend automation to every part of an enterprise to reduce data silos to transition decision support from humans to artificial intelligence and machine learning algorithms
- Automate quality/test labs through advanced analytics
- Leverage 3D printing for rapid prototyping and to manufacture on-demand materials.

**Banking:** In a matter of only a few weeks, the world of banking experienced a level of disruption, which changed the way banks conducted business, the way employees work, and the way consumers managed their finances historically. The sector was ahead on the digital transformation curve compared to other sectors but the new normal required the industry to develop comprehensive capabilities that are integrated across every aspect of banking.

The leading banks will most likely build on:

- Making all channels digital, including processes and procedures of conducting know-your-customer checks (KYC)
- Curating innovative digital products and services to meet the changing demands of consumers
- Adopting Machine Learning (ML) capabilities to deliver services through chatbots, virtual agents and recommendation engines
- Leveraging ecosystem by collaborating with fintechs to integrate and make available services via application programming interfaces (APIs)
- Using advanced data science and Artificial Intelligence (AI) to understand and respond to customers' fast-evolving needs with precision, speed, and efficiency.

## Key challenges and gaps

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

While we may agree that the new normal is here to stay and technology adoption will continue to pave the way, it comes with a set of challenges, which organisations must consider:

**Talent/skills gap:** Drastic digital adoption of the modern IT architecture leads to specific skill requirements. Skill shortage and talent gaps will likely create the biggest challenge that organisations need to deal with

**Cyber security:** Remote work, which practically is now a norm, poses new data security risks to organisations. As a result, global business leaders have identified cyber security as the top concern impacting their growth and operations<sup>1</sup>

**Regulation:** The heightened pace of technological innovation poses serious challenges to governments that must cope with the disruptive speed and scope of the transformations occurring in many domains. While these technologies offer opportunities for improvement to economic efficiency, they also generate many unexpected consequences and pose new forms of risks

**Change management:** Organisations need to change, rethink, and refresh their strategies to respond to disruptions across businesses, people, suppliers, and customers. The transformation to new ways of working is a journey and leaders will have to adapt to manage this journey effectively.

## Recommendations

Digital disruption is here to stay. Organisations can deal with it as a challenge or embrace it as a gift. The latter group is likely to realise faster and longer-term benefits. Therefore, it is vital to develop a strategy to take advantage of digital technologies. Here are a few key steps:

- Organisations need to embrace a digital-first mindset and accelerate digital investments to harness the latest technologies.
- Focus on transformation across organisational silos drawing on cloud technologies and agile techniques
- Embed a balanced approach to risk and regulation into the transformation journey, securing the confidence of stakeholders, which will in turn enable responsible growth, bold innovation, and high performance.
- Keep people at the center of the transformation effort. Companies that place humans at the center, while leveraging technology at speed and innovation at scale, accelerate the value they create in the long-term. Digital technologies are just not about reducing workforce.
- Collect, curate, and develop high quality data sources. More data is not as good as high-quality data.
- Experiment and fail-fast – technologies like AI require iterative process to become successful.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The future is about breaking down silos and getting connected. The fine balance between renewing the old and uncovering value from the new can enable technology to create the value that enterprises demand.

---

<sup>1</sup> KPMG 2021 CEO Outlook Pulse, KPMG International, accessed on 26 June 2021

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.