

# DTAP

DIGITAL TRANSFORMATION \_\_\_\_\_  
\_\_\_\_\_ ACCELERATION PROGRAMME

**FUTURE PROOF YOUR BUSINESS**





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[www.mdec.my](http://www.mdec.my)



# THE ROAD TO DIGITAL TRANSFORMATION

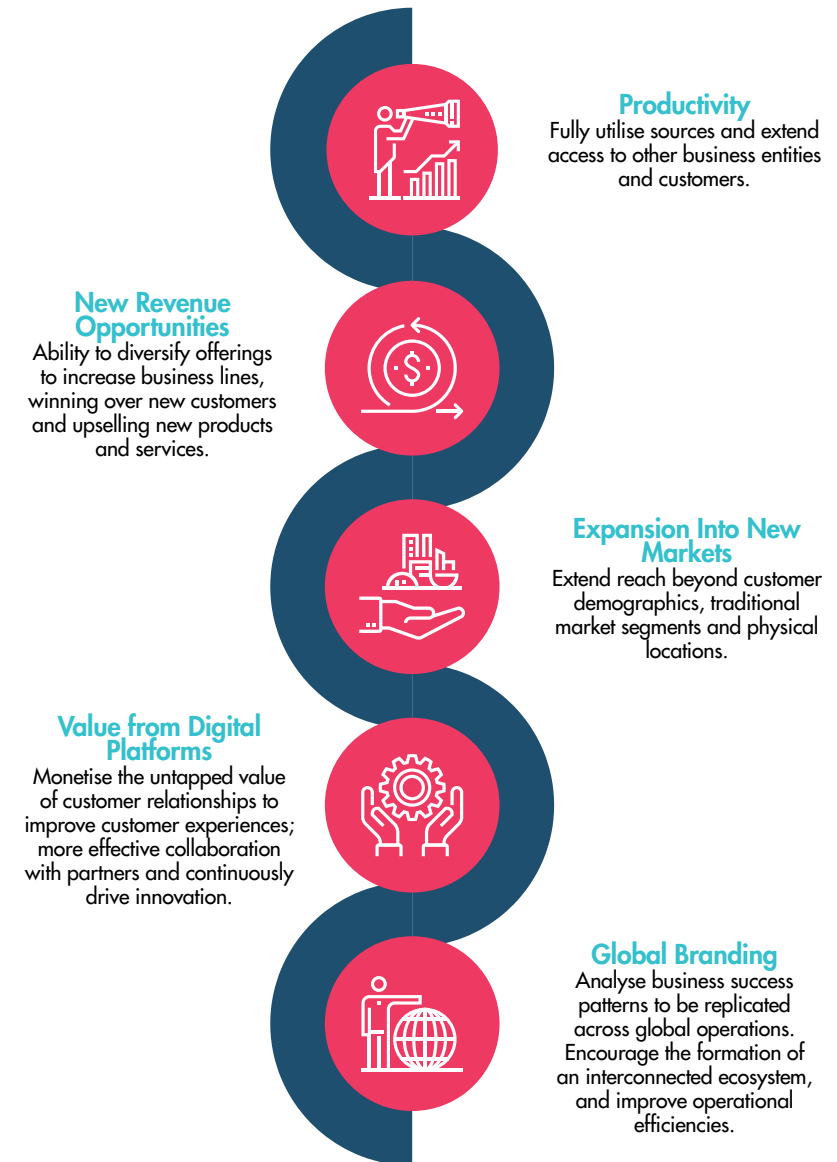
Digitalisation doesn't start and stop at IT. It isn't about adopting the most advanced or newest technology either. It's about innovation and smart use of existing technologies!

Digitalisation addresses every tier of the business. It affects core functions, support functions, supply and demand and processes.

While there's no magic formula to digitalisation, DTAP is here to help. It can be customised to your specific condition – your needs and wants – and your environment.

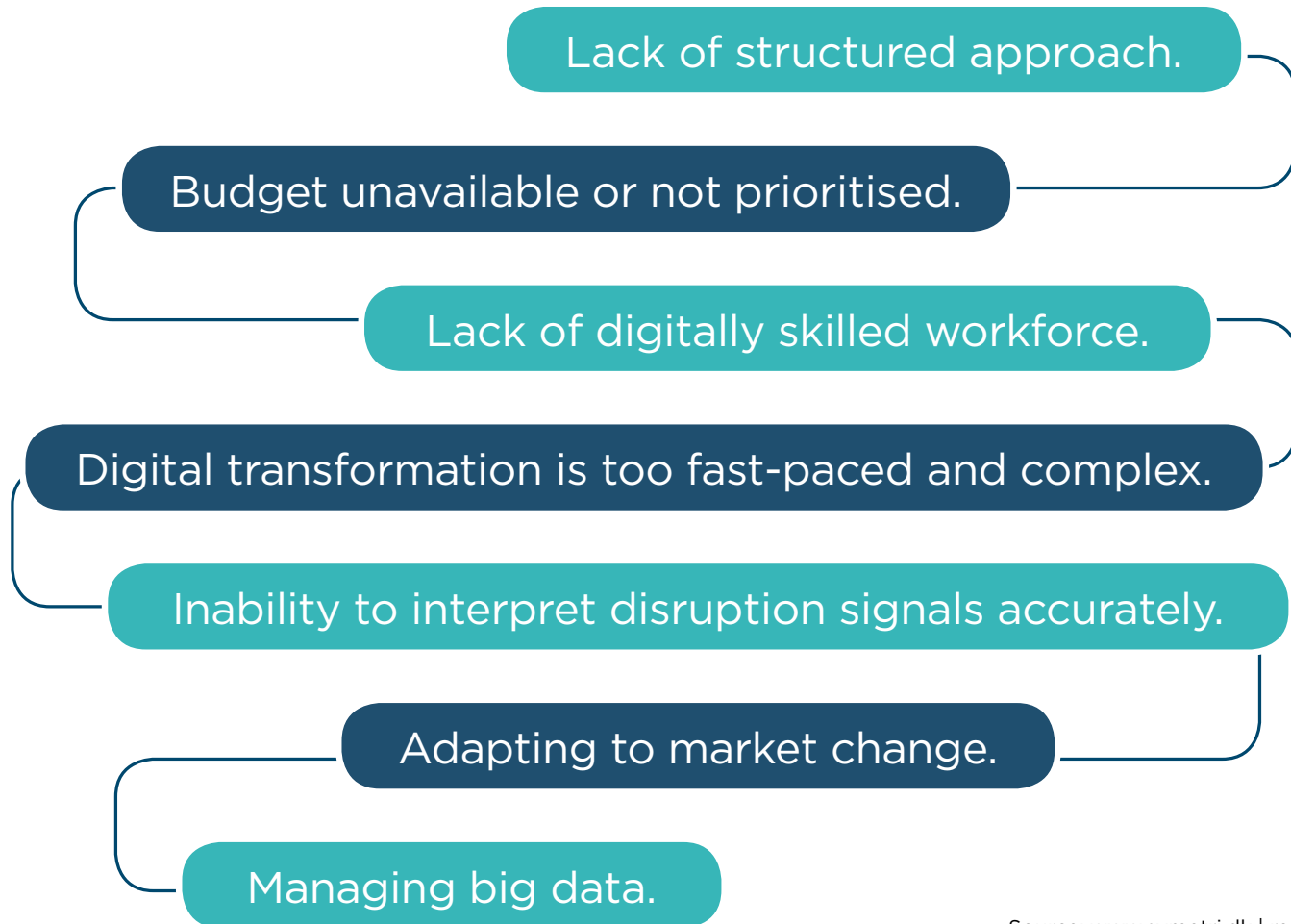


## HOW WILL DIGITALISATION CHANGE YOUR BUSINESS?



# CHALLENGES

## HURDLES TO DIGITALISATION



# HIGH COST OF WRONG DECISIONS

## GENERAL MOTORS

**Who?** For more than a century, the American multinational corporation held the mantle as the largest motor-vehicle manufacturer in the world. They produced trucks, automobiles, automotive components and also had their foot in financial services.

**What?** General Motors declared bankruptcy in 2009 and later subsisted thanks to the US government's bail-out.

**Why?** GM's management were so bottom-line driven that they ignored the shift in marketplace and innovation. Consequently, they were overtaken by Toyota, who could build quicker, at lower cost, and with better quality.



## BORDERS

**Who?** Borders Group was once a giant global retailer of books, music, video and other entertainment items.

**What?** Filed for bankruptcy in 2011.

**Why?** They neglected to go digital when the Ebook trend took off. Competitor Amazon released their version of Ebooks - Kindle in 2007. This disrupted their sales of physical books. When they finally released "Kobo", their own brand of Ebooks in 2011, it was too late.

## POLAROID CORPORATION

**Who?** Polaroid Corporation a pioneer in instant photography as well as a manufacturer of cameras, film and optical equipment.

**What?** Filed for bankruptcy in 2001.

**Why?** Although the company was innovative and had come up with their version of a digital camera, its leaders were unable to break away from their traditional products which were instant photography.



# DIGITAL LEADERS VS DIGITAL LAGGARDS

Leaders have a higher gross margin overall, with higher earnings and net income.

Digital leaders are:

**7x** More Innovative.

**3x** More Profitable.

**38%**  
Better Customer Service.

**DIGITAL LAGGARDS HAVE PAID THE PRICE. THE WAVE OF TECHNOLOGY LEAVES NONE UNTOUCHED!**

A digital laggard suffers an opportunity cost of **RM2.7 billion** - this is deemed, the "laggard penalty".

Full-service businesses lose the most, with an average penalty of **RM5.98 billion**.

Source: Roubini ThoughtLab

## 3-year Average Gross Margin

Digital Leaders

**55%**

Digital Laggards

**37%**

## 3-year Average Earnings

Digital Leaders

**16%**

Digital Laggards

**11%**

## 3-year Average Net Income

Digital Leaders

**11%**

Digital Laggards

**7%**

Source: The Digital Business Divide

# PILOT COMPANIES

These Companies Have Paved The Way For Others!

## TOP GLOVE

TOP QUALITY, TOP EFFICIENCY

### TOP GLOVE

Automating Quality Control of Chemical Testing in Glove Manufacturing.

#### Pain Points

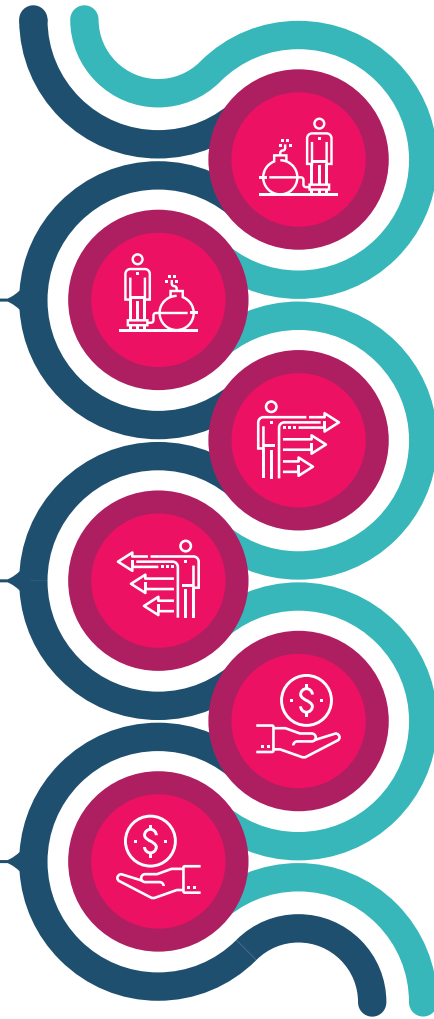
- Manual Quality Control Processes
- Time Consuming & Labour Intensive
- Low Efficiency And Human Errors

#### Approach

- Installed IoT sensors in the chemical tanks
- Collect real-time data for chemical testing
- Allows automatic corrective actions through electronic-controlled valve in the tanks

#### Outcomes

- **100%** Reduced Dependency On Foreign Workers For Chemical Testing
- **100%** Reduced Unplanned Downtime
- **67%** Reduction In Lab Testing (Qc)



## GAMUDA

### GAMUDA

Digitalising Building Inspection Processes Moving Towards Real-time Predictive Maintenance.

#### Pain Points

- Inefficient manual asset inspection
- Inaccurate data collection
- No real-time data

#### Approach

- Implemented customised end-to-end mobile application
- Inspect assets, execute work order & service maintenance with real-time data collection
- Usage of data analytics

#### Outcomes

- **70%** Reduction In Man-Hours
- **100%** Digital Processes

## WHY IS DIGITAL TRANSFORMATION ACCELERATION PROGRAMME (DTAP) THE WAY FORWARD?

DTAP is a paradigm-shifting programme designed to future-proof local companies by ensuring competitiveness in the coming years.

This programme uses a structured approach, combined with the support of Digital Transformation Lab Partners, to kick-start your digital transformation journey. Furthermore, DTAP ensures outcome-based results with matching incentive.

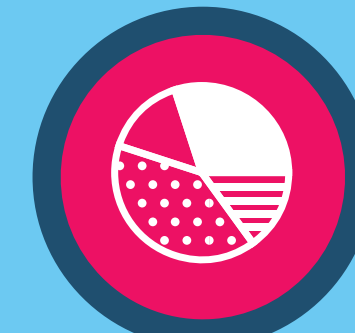
## HERE'S WHAT TO EXPECT



Increase productivity



Reduce dependency on foreign labour and maximise resources



Create new sources of growth

# DIGITAL TRANSFORMATION LABS PARTNERS

# APPROACH

## SUPPORTED BY DIGITAL TRANSFORMATION LABS:



## DTAP: STRUCTURED APPROACH TO DIGITALISATION

### PILOT PHASE (MAXIMUM OF 12 MONTHS)

Leverage on Digital Transformation Lab's (DTL) expertise and assistance in addressing pain points or exploit opportunities in the digital space, while adopting emerging digital technologies.

DTLs are global experts supporting participating companies under DTAP.

### SCALE PHASE (UP TO 5 YEARS)

Full scale implementation upon completion of pilot.

"WE BELIEVE THAT DIGITAL TRANSFORMATION IS IMPERATIVE, TO ENSURE THAT WE REMAIN COMPETITIVE IN THIS GLOBAL LANDSCAPE BY LEVERAGING OUR WORKFORCE; TO BE ABLE TO DEVELOP NEW SKILLS; AND TO BE ABLE TO MAKE USE OF NEW TECHNOLOGIES WHICH ARE EVOLVING."

CHEE YIH TZUEN,  
GM, IT, TOP GLOVE CORPORATION

"PRIOR TO DIGITALISATION, A LOT OF OUR WORK WERE LABORIOUS - LABOUR-INTENSIVE - AND IT TAKES A LOT OF MAN-HOURS TO GET THINGS DONE. WE REALISE THAT AFTER THIS PILOT PROJECT, WE WERE ABLE TO REDUCE MAN-HOURS BY UP TO 70% IN SOME OF THE WORK WE USED TO DO MANUALLY. NOW WE ARE ABLE TO COVER A MUCH WIDER AREA WITH LESS RESOURCES, ESPECIALLY MAN POWER."

VICTOR TAY,  
ASST. GENERAL MANAGER, TOWNSHIP, GAMUDA LAND

"DIGITAL TRANSFORMATION IS A JOURNEY, AND NOT A ONE-OFF INITIATIVE. IT REQUIRES PLANNING AND THE RIGHT THOUGHT PROCESS TO BE PUT IN PLACE. DTAP PROVIDES AN OPPORTUNITY FOR LOCAL COMPANIES TO KICKSTART THEIR DIGITAL JOURNEY WITH THE SUPPORT OF DIGITAL TRANSFORMATION LABS SO THAT THEY CAN BUILD THE RIGHT FOUNDATION AND CONTINUE TO SUSTAIN ON THEIR OWN."

MUHUNDHAN KAMARAPULLAI,  
DEPUTY DIRECTOR, DIGITAL ADOPTION ECOSYSTEM, MDEC





# DTAP: PILOT INCENTIVE



An outcome-based matching incentive (1:1) to pilot the digital transformation activities:



Duration for DTAP Pilot would be 6 to 12 months depending on the nature of the pilot.



Reimbursable for approved expenses in, including but not limited to:

- Engagement of Digital Transformation Lab to execute digital transformation activities; and
- Pilot development and execution for digital transformation activities by adopting emerging technology.

Up to RM 500k per pilot.

Please visit [www.mdec.my](http://www.mdec.my) for more information.

# WHO CAN APPLY?

## CRITERIA

All Malaysian corporates and mid-tier companies can apply. The business must be keen to adopt digital transformation to future-proof themselves.



## REQUIREMENTS



Incorporated under the Companies Act, 2016.



Effective equity of the company must be at least 60% owned by Malaysians.



Companies from the non-ICT sectors.



Not a recipient of, or have previously received, any government funding for the same approved expenses or project.

Please visit [www.mdec.my](http://www.mdec.my) for more information.



# TIME IS NOW!





For application & queries, visit  
[www.mdec.my](http://www.mdec.my)



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