FOURTH LEAP

MALAYSIA: TRAVERSING THE DIGITAL LANDSCAPE

COUNTRY AT CRITICAL JUNCTURE IN A NEW WORLD WITH FRESH RULES

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Leaner and Stronger Government Vital for Post Pandemic New World

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THINK POSSIBLE
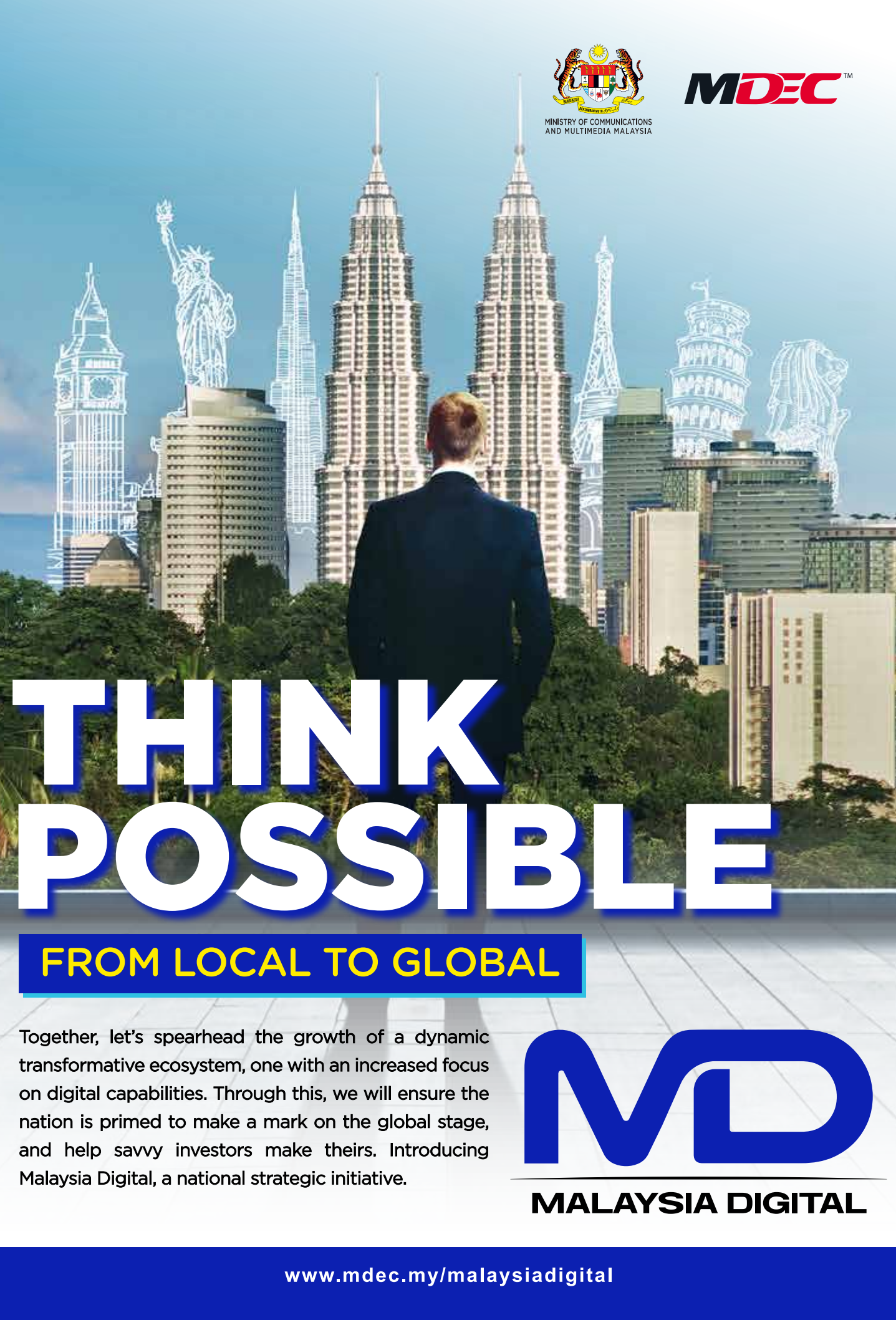
FROM LOCAL TO GLOBAL

Together, let's spearhead the growth of a dynamic transformative ecosystem, one with an increased focus on digital capabilities. Through this, we will ensure the nation is primed to make a mark on the global stage, and help savvy investors make theirs. Introducing Malaysia Digital, a national strategic initiative.

MD
MALAYSIA DIGITAL

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> "It's so easy for someone with a great idea to share it with the world in an instant. The pace of innovation is accelerating—and that opens up more areas than ever for exploration."

– Bill Gates

THE global shift towards sustainable approaches has improved business and fundamental human rights. Malaysia urges homegrown companies to adopt the new sustainable regulations to improve their international trade exposure. Thankfully, Malaysia is quick to join the bandwagon, accelerating the adoption of CSR activities, SDGs and many more.

Not only that, digital transformation is becoming a critical support mechanism for countries to reconstruct the economy and sustainable development in SMCs post-pandemic. The transformation of SMCs into digital and sustainable cities necessitates strong cooperation between the city's governmental and private entities and its citizens. Resolving existing issues and reformulating techniques will benefit from coordinated efforts from all areas. Furthermore, future SMCs equipped with employment possibilities, public transit and other accessibility features will positively affect their dwellers' quality of life.

As opportunity-seeking individuals populate megacities, they are transforming into urban sprawl, an unsustainable environment for health and wellness. This issue generates an imbalanced dynamic, as rural areas lack population while the other is overpopulated.

Many proposed changes require continuous commitment and political determination, representing deviations from existing norms. However, the gains for Malaysia would far transcend the expenses as we get the advantages of urbanisation and can establish a system of competitive, sustainable and inclusive cities.

If Malaysia were to develop its small and medium-sized cities with a complete digital transformation, sustainability implementation and expanded possibilities, we would be able to observe its growth as a sustainable country within a few years.

Hence, in this edition of Fourth Leap, we look at shaping SMCs through digital transformation, the technologies and the upheavals that come with a digitally-infused organisation.

Stay tuned as we share the world's progress with you, dear reader, from the keen minds of leaders, scholars, and independent thinkers. We are certain that our contributors will pique your interests and perhaps spark a need to connect and have a conversation. So feel free to reach out to us, and happy reading!

– **Sritharan Vellasamy**
(sri@wordlabs.com.my)

Malaysia Digital is Set to Accelerate Growth of Digital Economy

DRIVEN by the Ministry of Communications and Multimedia (K-KOMM) through Malaysia Digital Economy Corporation (MDEC), Malaysia's lead digital economy agency, Malaysia Digital is a national strategic initiative by the Government to encourage and attract companies, talents and investment while enabling Malaysian businesses and its people to play a leading part in the global digital economy.

Malaysia Digital is to succeed MSC Malaysia, which has transformed Malaysia into a knowledge-based economy since 1996. The new initiative seeks to transform the nation's digital capabilities and boost the digital economy with a new and enhanced framework.

Malaysia Digital will allow Malaysia to better prepare for today's ever-evolving landscape and build the bedrock of a digital nation, ultimately benefitting the people, businesses, government and nation.

EXPLAINED: HOW A TEAM OF JAPANESE SCIENTISTS INVENTED "HUMAN LIVING SKIN" FOR ROBOTS THAT HEALS ITSELF

A team of Japanese scientists have developed artificial skin that behaves just like living human skin. It can repel water and "heal" or repair itself when wounded. Seems like the days of the Terminator finally becoming a reality isn't that far off.

Davos 2022: WEF Launches Metaverse for Strong Public-private Cooperation

THE World Economic Forum (WEF) announced that it is building a "Global Collaboration Village" as the virtual future of public-private cooperation, in collaboration with Accenture and Microsoft.

"Since our founding in 1971, the Forum has served as a platform where business, government, civil society and other stakeholders can come together to address critical global issues," said Klaus Schwab, WEF Executive Chairman.

"The metaverse will influence the way people, governments, companies and society at large think, work, interact and communicate for the purpose of collectively addressing issues on the global agenda. The Global Collaboration Village will be an extension of the World Economic Forum's public-private platforms and in-person meetings and will provide a more open, more sustained and more comprehensive process for coming together," he added.

IKIN Ships a Holographic ARC Terminal That Requires No Headgears

It won't require headgear or goggles for users to create and view holographic content using the Unity Technologies dev platform to create apps. Images on display can be moved by face and eye-tracking.

HOLOGRAMS for commercial and consumer applications are gaining traction. On Monday, San Diego-based IKIN announced the commercial availability of a desktop-sized holographic terminal that enables high-resolution holographic displays in ambient light.

A spokesman for IKIN said the IKIN ARC platform would be priced under $5,000 for a standard model that runs IKIN apps on an included Windows OS platform. It has a self-contained 15-inch display and can be tailored to specific applications in advanced engineering and design, logistics, and education.

IoMT Continues to Grow

THE COVID-19 pandemic has expedited the development of the Internet of Medical Things due to increased demand for hands-free health solutions (IoMT). In 2021, 64% of US families reported using these services, with 43% planning to continue using them once the pandemic is over. These indications point to further growth in IoMT in 2022.

Wearable health monitoring, for example, will become more common as a means of extending at-home treatment. Hospitals will employ IoT connections to track resources and make remote appointments. Even once the pandemic is over, similar trends will persist in order to make healthcare more accessible.

Crypto, Blockchain, and NFT Jobs Witness 804% Jump in India Post-Covid

JOB postings in April 2022 were 15 times more than in 2019, highlighting the role of the pandemic in this sustained growth.

The Covid-19 pandemic has fast-tracked the adoption of technology across functions in India. Hence technology professionals are more in demand than ever before, especially with expertise in newer areas like cryptocurrency, NFTs and blockchain.

"As a technology-driven economy, Indian companies are investing swiftly in innovations that will propel the nation to the forefront of the new digital era. Technology centres such as Bengaluru and Hyderabad continue to lead the sector in terms of hiring, although the national capital region is also attracting a decent amount of interest "Indeed India's head of sales, Sashi Kumar, said in a statement.

A global report by Gartner forecasts that the business value generated by blockchain will grow rapidly, reaching $176 billion by 2025, potentially creating more job prospects.

Malaysia Experienced 57.8 Million Virus Cyber Attacks in Q1, Says US Cybersecurity Firm Fortinet

ACCORDING to Fortinet, Malaysia witnessed 57.8 million virus attacks during the first quarter of 2022 (Q1 2022), or 1.14 percent of all cyberattacks worldwide. Fortiguard Labs security strategist Jonas Walker of Fortinet stated that 57,2 million botnet detections in the country represented 1.19 percent of total global threats.

During the first quarter of 2022, Malaysian exploit detections accounted for 3.96 billion attacks, or 0.95 percent of global detections.

"A virus attack is a file that must be performed on a website or downloaded into your system, but an exploit is merely a simple command that may be used against an Internet-connected device.

"Botnet is a malware attack comparable to a virus that is put in the system and waits for a command or control server to send specific actions," he explained at today's media briefing.

According to Walker, cyber attack tendencies are developing in Malaysia as threat actors regularly scan and promptly react to the most recent global development.

MRANTI's Innovation Hub for the Fourth Industrial Revolution Will Benefit 1,250 Business Owners

ACCORDING to Science, Technology, and Innovation Minister Dr Adham Baba, 1,250 business owners are expected to benefit from MRANTI MakersLab, the Fourth Industrial Revolution (4IR) Innovation Hub developed at the Malaysian Research Accelerator for Technology and Innovation (MRANTI) Park.

The initiative was also intended to assist 5,000 aspiring entrepreneurs by exposing them to 4IR technology, as well as 50 companies in developing product prototypes, according to the minister.

He stated that the project's objective to transform MRANTI Park into a 4IR Innovation Hub is to establish a platform for entrepreneurial development and a commercialisation hub to promote innovation among micro, small and medium-sized businesses (MSMEs).

In addition, it focuses on providing experimental laboratories to help MSMEs or startups conduct prototype activities, as well as ongoing capacity and capability development aids.

MALAYSIA:
TRAVERSING THE DIGITAL LANDSCAPE

Country at critical juncture in a new world with fresh rules

By Wordlabs Business Network Team

A country's digital transformation is a critical post-pandemic development. The role of government is to provide the necessary direction and resources for this transformation. It is also the government's responsibility to ensure that all citizens have access to these resources.

Furthermore, the government must create incentives for businesses to invest in digital technologies, besides monitoring the progress of digital transformation and making adjustments along the way.

MYDIGITAL TO THE FORE

The Malaysian government has been proactive in promoting digital transformation with the launch of the MyDIGITAL Corporation. This national strategy aims to transform Malaysia into a high-income nation focused on digitalisation and make the country a regional pioneer in the digital economy.

Fabian Bigar, CEO of MyDIGITAL Corporation, recently said the IR 4.0 Policy will open up new doors of opportunity by giving Malaysians access to edutech's skill enhancement services, which help them land high-paying jobs with competitive salaries. The integration of social enterprises with IR 4.0 technology will also allow them to address socioeconomic issues and facilitate digital onboarding for rural-urban communities that are traditionally hard hit by poverty and lack access or knowledge on how new technologies work best in their environment.

Furthermore, the country can further develop industry-led and sectoral-based IR 4.0-powered capacity to help businesses grow in every type of business.

Engagement with the private sector is crucial to accelerate the growth of digital economy in Malaysia, just as it is important to leverage on emerging technologies to drive innovation, Fabian further noted.

MyDIGITAL Catalytic Projects Task Force has also established with the government taking on a more proactive role of facilitator. In doing so, they can enhance an enabling ecosystem for policy and regulatory reforms across ministries or agencies while also working towards key challenges that are slowing innovation.

LAUDABLE AMBITION

"The MyDIGITAL initiative reflects the country's ambitions to transform Malaysia into an advanced digital economy. That's well and good, but now just step back! Set up the environment and pass the regulations, but leave it to the market to drive this.

"Interfering, for example, by setting up an intermediary 5G company to monopolise and control the entire deployment in Malaysia is a mistake. The government has lost billions in income associated with 5G auctions and is now facilitating billions in the outflow of Malaysian funds to build an unnecessary intermediary. This is a double whammy to our bottom line books of the country," said Michael Warren, CEO of Consulting Board Asia.

Warren cautions that it does not just concern the financials but the overarching story to the world that the government wants to get involved in on-the-ground execution.

Warren ... "Keys to a country's success in digitalisation are not solely reliant on domestic conditions but also on the influence of the global digital environment."

BUILD QUICK, FAIL FAST & REJUVENATE FASTER

Bobby Varanasi, CEO of Matryzel Consulting, is a strong proponent of limited government intervention in the marketplace. He believes businesses should be free to compete without interference from bureaucrats.

Varanasi says: "The government should not be in business. Instead, they should enable through policy, regulations, incentives or FTAs, and then get out of the way. Businesses should instead take direct ownership of building value chains across their sectors in a tangible manner through collaboration amongst players (both organic and inorganic). This would permit entities to build quick, fail fast, and rejuvenate faster."

Varanasi adds: "The government must regulate, enable transactional and participative equity, and access markets. In my view, it should stop floating many frameworks and taking onus for their success – they don't know what they will never know."

GLOBAL OUTLOOK

Experts say factors such as the global economic order, geopolitical power shifts and social transformation affect the digitalisation progress. Varanasi believes that Malaysian policymakers are already considering these factors to forge a path to accelerate digital transformation.

However, he points out that the government's inadequacy stems from the lack of a strong set of sector-specific advisors that can help steer policy in the right direction while creating legal and otherwise structures for businesses to self-govern and collaborate.

"The over-hyped emphasis on 'Digital Transformation' is a misnomer. Instead, the emphasis should be on sectoral, socio-economic and civil transformation, enabled by digital solutions."

Meanwhile, Warren stresses that the keys to a country's success in digitalisation are not solely reliant on domestic conditions but also on the influence of the global digital environment. While some countries are progressing well with their digitalisation agendas, they cannot do so in isolation and need to consider the global picture. This is because the world is now more interconnected than ever before, and advances in one country can have a ripple effect worldwide.

"We have seen how the whole blockchain and crypto markets exploded onto the world stages, how crypto mining created whole new national businesses for some countries and how bitcoin manipulation by billionaires has recently wiped trillions of dollars of the global digital markets."

The emergence of Web 3.0 and the Metaverse will continue to shape many aspects of the local and global markets. Therefore, we need to understand these technologies and how they will affect our daily businesses and global plans.

The potential for a completely immersive, integrated, online world is immense, and we must be prepared for the technologies' changes.

> **Web 3.0** is the third generation of the World Wide Web, characterised by a shift from static HTML pages to a more interactive, dynamic web.
>
> The **Metaverse** is a digital universe where people can interact with each other and virtual objects using avatars. These technologies are already starting to impact our economy, with businesses using them for marketing, e-commerce, and product development.

WAIT-AND-SEE

As new technologies become widespread, we must understand how they work and how they'll continue to shape our world. "In the past half-decade, we have seen huge business opportunities emerge around the US-China trade wars. While we set up task forces to monitor and study, we missed numerous sizable investment opportunities to solidify local and regional engagements with China, our largest trading partner over the past decade," says Warren.

Furthermore, the ongoing Russia-Ukraine war is breaking many European global supply chains, and all that business is now swinging through Asia. He laments that the opportunities are turning up in Malaysia "weekly, but the Malaysian government and companies are again adopting a wait-and-see attitude" instead of embracing the possibilities.

"In the digital space, billions of dollars of blockchain investments flow into neighbouring countries over the past five years, but we are only starting to try to grasp this. We should already have a national strategic policy group to look, study and implement national action plans for Web 3.0 and the Metaverse. These are not just sexy topics.

Varanasi ... "The government must regulate, enable transactional and participative equity, and access markets."

"There are many more emerging global digital ecosystems and not just isolated to cloud or 5G or DeFi (Decentralized Finance) and others, buts it's a whole integrated ecosystem. So this is a clear area in which the government should fund and empower an organisation like Malaysia Digital Economy Corporation (MDEC) to be responsible and form the basis of MyDIGITAL 2.0."

TALENT: ACHILLES HEELS

As the world continues to digitise, countries face increasing pressure to keep up with the changing landscape. In this regard, talent is one of the biggest challenges to succeeding in the digital age. Countries must have a workforce with the appropriate skills, which can be challenging.

There is often a mismatch between the skills employers are looking for and the possessed skills. As a result, many companies struggle to find the talent they need to implement their digital transformation strategies.

Talent has always been one of the critical ingredients for economic success, and this will continue to be the case in the digital age. As a result, countries attracting and retaining top talent will be better positioned to succeed in the coming years.

The MyDIGITAL initiative reflects the country's ambitions to transform Malaysia into an advanced digital economy.

"Changes to national talent strategies will be among the most valuable moves to improve performance through digital transformation. "The Triple Helix theoretical model of innovation is still the best model out there for the country, in my mind," says Warren.

The Triple Helix innovation model is a framework for creating an environment conducive to economic growth. It asserts that there is a symbiotic relationship between academia, industry and government and that each plays a role in driving innovation.

In this model, academia provides the foundation for new technologies. The industry then commercialises them, bringing them to market and creating jobs. Finally, the government provides the policy framework and infrastructure to support innovation. This model has been successful in many countries.

He says: "We are only now beginning to realise what needs to happen next to facilitate this transformation better. Apart from talent, the challenges we see today around digital transformation are the same as we have seen in the past."

AERIAL VIEW VITAL

Perhaps the most crucial change to digital transformation is the speed at which the COVID-19 pandemic forced ad-hoc changes to how businesses operate and, in turn, the adoption rate of digital processes.

The challenges are daunting, but the way governments and the industry approach the entire gamut of IT, business operations, security and digital transformation should change, too.

Warren adds: "Even as the pandemic abruptly forced digital transformation upon industries, the change should be viewed as a comprehensive, continuing and evolving process. 'Comprehensive' because digital transformation involves analytics and workflow and encompasses networking, IT, communications and cybersecurity — the entire network now becomes interactive.

"Digital transformation is 'continuing' because it requires maintenance, and many industries in the country likely need to account for the technical debt they had accrued as systems were put in place to provide immediate protection."

Suppose Malaysia can traverse the COVID-19 pandemic, its social shakeups and economic reverberations with relative safety – then the next generation of digital transformation must "evolve" into something truly immersive, including augmented reality and new, unthought-of applications and technologies.

DZULEIRA: TALENT & DIGITAL LEADERSHIP VITAL FOR MALAYSIA TO COMPETE GLOBALLY

Malaysia can enhance productivity, foster innovation and improve living conditions by utilising digital transformation across the country

By Wordlabs Business Network Team

THE COVID-19 pandemic has been a significant catalyst for digital transformation around the world. As a result, economies worldwide have been forced to accelerate their adoption of digital technologies to survive. Malaysia is no exception. The Malaysian government has invested in digital infrastructure for years, but the pandemic has forced it to speed up its plans.

As the world becomes increasingly digital, countries are scrambling to catch up and ensure that they are prepared for the future. However, Malaysia needs to do more than just digitising its existing infrastructure to compete globally. For that, we need highly-skilled technical talents.

According to the recent AlphaBeta research, the digital transformation can generate up to RM257.2 billion, with a significant 72% or RM184 billion driven by technologies that can help businesses and workers mitigate the effects of Covid-19 in annual economic value in Malaysia by 2030.

MRANTI CEO Dzuleira Abu Bakar says: "In this regard, COVID-19 has put us on overdrive. Over the past year, virtual learning has been a vital component for all levels of education. In addition, telemedicine and robotics came into prominence to deliver care remotely, ensuring the safety of patients and healthcare practitioners. Lockdowns also forced congregations of businesses to go online for the first time."

LOW ON SKILLS AND EXPERIENCE

There is no shortage of talented young people in Malaysia with the potential to become world-class tech innovators. However, they often lack the skills and experience needed to realise their full potential. That's why it's so important to invest in the development of local technical talent.

Dzuleira says: "A recent World Economic Forum (WEF) report reveals that newer, skilled and emerging professions are expected to increase from about 8% to more than 13% over the next four years.

"We need to identify and back talents and innovators with the right support structures, not just from a funding perspective but also a capacity-building one. We need to inspire new graduates and upskill the existing workforce to take up the STI (Science, Technology & Innovation) challenge, ensuring we have enough talents in the field."

WEF's study looked at the impact of artificial intelligence and found that 85 million jobs could be displaced for roles involving human work; however, there is potential to create 97 million opportunities for those who can use skills around machine interaction and algorithm expertise.

RIGHT TALENT IN RIGHT PLACES

The report also found that skills gaps in the local labour market and the inability to attract the right talent were among the significant barriers to adopting new technologies. On this front, the Malaysian government has firmly committed to developing the skilled talent of tomorrow, says Dzuleira.

"Under Budget 2022, the government is allocating RM423 million to the Ministry of Science, Technology and Innovation (MOSTI) and the Ministry of Higher Education (MOHE) to intensify R&D activities. The allocation included RM295 million for public universities to continue to play a role in the research and innovation ecosystem as well as encourage collaboration with industry."

She adds that Malaysian businesses require a solid go-to-market culture, focusing on growing their ideas beyond the initial market limits. Many investors consider Malaysian startups, such as Carsome and Aerodyne – which have successfully demonstrated their capacity to create a business regionally – to be an indication of viability and "investability".

Besides the talent elements, there needs to be growing technology adoption by key business sectors (SMEs) to ensure the country's digital transformation stays on track.

BUILDING BLOCKS VITAL

Interestingly at the same time, a report by Temasek, Bain & Company and Google titled economy SEA 2020 Report shows that Malaysia has already recorded the highest e-commerce growth in the region in 2020. Continued investment in the digital economy is necessary, especially in areas outside the Klang Valley, which have seen the most substantial e-commerce growth rate.

"So, post-pandemic, the question in many SME business owners' minds now is 'how'? National change can only happen when some building blocks are in place – including digital leadership in organisations (micro-level). Therefore, organisations must continue seeking, nurturing, and promoting digital leaders. Clearly, leaders are the driving force behind transformation; and technology is only a tool."

Promoting digital entrepreneurship is another critical avenue through which Malaysia attempts to spur economic growth and job creation.

"As a fundamental driver of digital transformation, digital innovation gives rise to new goods and services, creates opportunities for new business models and markets, and can drive efficiencies in the public sector and beyond," Dzuleira stresses.

> ❝
> # A recent survey by the Malaysia Productivity Corp found that many SMEs, particularly from the manufacturing sector, still faced challenges in implementing digitalisation initiatives."

According to the study polling 173 companies, financial capability is the top reason SMEs have yet to adopt Industry 4.0.

Dzuleira says: "Traditional businesses, which make up a large majority of Malaysia's economy, do not have the required skill sets. It'll be challenging to pivot towards the digital transformation as it requires radical changes in processes, technology, culture and mindsets."

ABOUT MRANTI

MRANTI is the combination of Technology Park Malaysia (TPM) and the Malaysian Global Innovation and Creativity Centre (MaGIC). Its primary focus will be to accelerate technology commercialisation by nurturing strong partnerships and strategic collaborations between the industries and academia, which will bridge the gap to bring about impactful research through patented inventions and ready-to-use technologies.

"Malaysian businesses require a solid go-to-market culture, focusing on growing their ideas beyond the initial market limits."

LEANER AND STRONGER GOVERNMENT VITAL FOR POST PANDEMIC NEW WORLD

In a constantly developing country like Malaysia, government agencies must collaborate closely to continue serving the people's needs

By Wordlabs Business Network Team

A S the world begins to emerge from the pandemic, governments will be looking to review and capitalise on many of the changes that have been introduced.

The pandemic has forced many businesses to close their doors, but it has also led to a boom in online activity.

As more people work from home, there is less need for brick-and-mortar office space. This can be true for government servants too, who can now perform their duties from virtually anywhere. The pandemic has shown that there is no need for large, expensive office buildings.

In the face of a global pandemic, even government bureaucrats have had to adapt and change how they work.

For years, government servants have been accused of slow and deliberate pace, seemingly immune to time and efficiency pressures. However, the COVID-19 pandemic has forced even the most resistant government employees to reevaluate their methods. In response to the crisis, government agencies have been forced to streamline their processes and cut red tape to get things done more quickly.

This culture shift has proved that government bureaucracy can be nimble when necessary, eliminating red tape without compromising quality or service.

As we continue to grapple with the pandemic, this new government culture will likely become the norm rather than the exception.

SMALLER GOVERNMENT WORKFORCE

While it may seem counterintuitive, a smaller government workforce can actually lead to increased efficiency and effectiveness.

There are currently estimated over 1.7 million civil servants in Malaysia, equivalent to almost 10% of the total workforce. This is significantly higher than the OECD average of 5%.

About 62% out of 1.7 million are employed in the health and education sectors and the military and police, with the balance comprising employees from the administration, social services, engineering, economic and science sectors, among others.

Not only does this large government workforce come at a high cost, but it also leads to inefficiencies and effort duplication. Experts reckon Malaysian taxpayers can expect to pay RM184 billion for emoluments and RM63.9 billion for pensions a year by 2027.

Having fewer civil servants would not only save money, but it would also allow government agencies to focus on their core functions. In addition, a leaner workforce would be more agile and better able to adapt to changing circumstances.

OVERLAPPING ROLES

On the business end, in a rapidly developing country like Malaysia, government agencies must work together efficiently to best serve the needs of the people. But unfortunately, experts say, this is not always the case, as there is often overlap between the roles of different agencies.

This overlapping makes it difficult for them to coordinate their efforts and leads to duplication of services. As a result, the Malaysian government needs to streamline its agencies and improve coordination to spur innovation and digitalisation efforts.

Michael Warren, CEO of Consulting Board Asia, says: "It's often been mentioned that Malaysia has too many government agencies and ministries.

"This bloated workforce has contributed to a substantially larger than required draw of finances from the government and taxpayers to feed excess needs."

BUSINESS END

What is more concerning to Warren is that Malaysia's investment climate is challenging for companies looking to invest, further impacted by the current post-pandemic repercussions.

The lack of clear guidelines and information about how the government agencies work makes it difficult, if not impossible, as investors are just guessing who will give them the correct information.

Warren said: "Companies that know how to navigate this maze do so almost as an art form, often being led by whom they know instead of what they need, and they end up playing the government agencies against each other."

While there was a discussion about shutting down a bunch of overlapping agencies at one stage, Warren notes that it takes guts, discipline and political willpower to make this happen.

"In the absence of this, the better model would be to have one generic streamlined top-down driven government empowered body, cutting across all ministries, with national dashboard target executing KPIs and SLAs tied to powers to slash budgets (and manpower) of underperforming government agencies quarterly.

"And a second similar generic empowered body must also be formed for the digital and innovation efforts. We should place all the economic corridors and government agencies under these two entities and task them with downsizing the bloated government. This would create clarity for investors and reduce financial and taxpayer spending."

"

In response to the crisis, government agencies have been forced to streamline their processes and cut red tape to get things done more quickly."

MULTIPLICITY OF EFFORT

Bobby Varanasi, CEO of Matryzel Consulting, agrees that there is a range of agencies spread across the economic sector.

He says: "More often than not, they have been independently pursuing sectoral or ministerial goals, leading to a multiplicity of effort, repeated mistakes, and distributed value – all of them combined leading to reduced effectiveness.

Collaboration is a must, particularly in today's times when individual and organisational data is fungible across the board, as also useful for cross-leverage."

Varanasi believes that by removing information silos through open data platforms, cross-ministerial or sectoral teams (policy and implementation) and ensuring the security of fungibility, we can make highly effective innovations. Additionally, this would lead to easing in delivery and increasing adaptability for changes that need quick adjustments when needed most. o

As more people work from home, there is less need for brick-and-mortar office space.

ARE ORGANISATIONS FACING MORE CHALLENGES TO TRANSFORM DIGITALLY?

77% of Malaysia's small and medium-sized enterprises (SMEs) remained at the basic stage of digitalisation

To acquire digital literacy, one must learn the 5Ws and 1H to be digitally literate.

FOURTH LEAP

By Elsie Low

WE cannot deny that the pandemic was unprecedented, but it does help many enterprises accelerate their business with new technologies and even change their business model. For example, MDEC (Malaysia Digital Economy Corporation) reported that Malaysian companies had increased their adoption of digital technologies and platforms for day-to-day operation. Their data has shown an increase from 19% in 2020 to 48% in 2021. If the business has started its digital adoption, it is a good sign as we need to rely on digital technologies to improve our business model.

According to Forbes:

Many enterprises' digital transformation journeys are still at the initial stage. They also lack leadership expertise. Due to this, they are challenged to drive the journey, including overcoming the complexity and enormous undertaking required to reshape the overall and holistic corporate landscape.

❝

The biggest part of Digital Transformation is changing the way we think."
Simeon Preston of Bupa

> Malaysia Digital Blueprint aims to have 100% of civil servants possess digital literacy by 2025. This well-thought-through blueprint is crafted as digital literacy becomes increasingly demanding.

One of the key factors why many organisations fail to transform is not fully understanding the purpose. Therefore, everyone needs to understand the fundamental of digital transformation and its journey.

Digital transformation is a long-haul journey. It transforms the legacy way of working and reimagines a new way of business working. It can also change a new business model by adopting digital technologies with customer experiences in mind. Therefore, it is critical to have someone who knows how to manoeuvre the organisation through the digital journey.

IT STARTS FROM THE TOP

It is critical to understand that the key importance in starting the journey is from the top, the acceptance from all levels, and having everyone in the organisation with a growing digital mindset. The changing mindset is critical for accelerating the digital transformation.

"

Digital becoming people's business."
Mary Kate Loftus, M&T's senior vice president and head of digital banking

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The World Bank reported that Malaysia's Digital Economy is still lagging behind many ASEAN countries in late 2021.

Mary Kate added that digital used to be about IT and coding in those days. However, today it has become people's business as an organisation need to equip themselves with the right resources and talent to create and promote a digital culture with customer-centric in mind. It is all about customers' experiences, wants and needs. The customers can be your stakeholders, such as the investors, the internal or external customers, users, and even your strategic partners.

OVERCOMING THE WAY PEOPLE THINK

The critical fundamental issue many faces is the way people think. Typically, many employees will think about digitalisation as upgrading the systems, infrastructure, smart technologies and many more.

"

Being digital is the combination of speed and agility. Speed is being able to do a repetitive action extremely quickly and efficiently, while agility is about sensing and then making change happen. That's the ability of the business to innovate within itself."
John Rossman, author of Think like Amazon

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However, digital transformation is not about those. Instead, it is about the current issues or challenges and what you need to do to overcome them with customer experiences in mind. It is not about technological change alone; it is going and being digital with a digital mindset to meet business outcomes.

The start of the digital transformation journey is to understand what exactly is being digital.

Two types of organisations:

- The "Day 1" or the start-ups
- The "Day 2" or known as the "business-as-usual" companies

DO NOT IGNORE THE FUNDAMENTALS

There are at least 100 million start-ups globally, increasing daily. Today, most start-ups are the accelerators of digital transformation. They come along with a new business model that adopts new technologies linked to the digital revolution that changes society today.

Once the start-up expanded, it became a Day 2 organisation as it evolved into a business-as-usual mode. They might have established some footings for growth for a few years, but some might face challenges trying to sustain or expand their business while continuously facing fierce competition.

As the organisation grows, the demand for additional resources increases, and they continuously strive to find the right fit for the organisation. In addition, new employees join the force, and different mindsets arise; thus, different cultures expand from a diverse management and operational team pool.

CHALLENGES OF THE DAY TWO ORGANISATIONS

- Financial concerns due to operating expenditure influxes
- Meeting customer demands
- Acquiring and retaining customers
- Adoption of new and improved processes
- Business intellectual property governance
- Recent technological advancements
- Cyber security risks
- Basis to stay relevant and competitive

The traditional way of working is changing now that digitalisation is taking over.

MOVING AWAY FROM THE LEGACY OPERATING MODEL

Regardless, businesses need to transform and evolve as digitalisation is the future. If one fails to transform from the legacy way of business, they will potentially face the never-ending fierce competition, legacy culture and mindset, overcoming the newer and ageing generations, the big quit, and many more.

Therefore, digital transformation is not just looking externally to transform. Instead, look within; perhaps you may transform your internal resources into revenue-generating business models. o

"

"Malaysian businesses fail to embrace digital transformation due to a lack of technical knowledge and operating in silo mode."
K.Raman of Microsoft Malaysia

LEAD DIGITAL, THINK DIGITAL AND GOVERN DIGITAL

Elsie is an IT Services Business Process-oriented hands-on practitioner and an advocator of Digital Transformation and Gig Economy (DXGIG). She believes that the future is no longer about legacy business; it's about technological, mindset and cultural change. Hence, organisations should set the right pace with the right fundamentals when starting their Digital Transformation and Gig Economy journey.

DIGITAL STAGNATION IN THE GOVERNMENT SECTOR

The public service delivery digitalisation is globally in demand as the world shifts towards cloud data operation

FOURTH LEAP

By Jerry Durant

WHERE WE SIT

For over a decade (2011 IR4.0), the bugles have been blaring with the arrival of the next industrial revolution. As a part of this movement, the facilitating agent has been digitisation, the full-on deployment of automation. Digitisation is the binding agent that creates one coherent IR4.0 model. However, the reality is that the ground is scattered with enterprises that are in varying stages of IR3.0 data processing or have retained non-automated environments. In the case of industrial enterprises, digitisation efforts are driven by budgets that are defended by value generation.

However, in the public sector, governments operate differently because automation/digitisation choices are fueled by political influence. In other words, what gets digitised must first support campaign promises and, secondly, must support the voting bodies. Even as recent as 2018, Business World stated that governments placed digitisation on the back burner. This is a far different situation than what is encountered by the private business, which creates digital infrastructure to reduce costs and exploit markets, whether served, unserved or underserved. A closer examination reveals that in cases where governments have made digital initiatives, it has been to automate processes and less pushing its full potential in transparency and information analytic intelligence.

STRIVING FOR POTENTIAL

Small/medium government units are a hotbed of opportunity. However, they are hindered by diverting funds and resources from direct population services to infrastructure that will provide operational support while sustaining the inefficiencies of normality. This situation creates a slow and hesitant state in which digitisation becomes operation-centric, creating latent benefits for citizens. When asked where attention should be given, the answer involves areas where time and resources can be best served through digitisation. However, this benefit jeopardises efforts because staff savings are involved.

By implementing digitalisation, governments can provide services that meet the growing demands of citizens and businesses.

It is the same case involving data automation (IR3.0); robotics and artificial intelligence were viewed as a human employment threat and not as a shift in purpose. Eventually, when bold steps are taken, that savings will be achieved through access, expediency and purpose-driven interaction, which will benefit citizens and create a more rewarding work condition (intelligent vs manual toile).

There is, however, a bit of an outside push that affects small/medium government units, resulting from national initiatives and enterprises that fuel the influx of information to which government operates. Examples include birth and mortality records, land ownership changes, routine taxes (fuels, sales, tariffs), customs activities and monetary movements. So if you are pondering, as a government unit, to wait and see, the option may not exist because circumstances may force adoption.

GLIMPSE INSIDE

Despite the disruption of the pandemic, life continued. We could see firsthand how enabling or disabling that digitisation could be. When conditions restrict normality, the lack of digitisation brings recurring events to a grinding halt. This manifests in emergency measures and compromises with negative monetary and operational consequences. All of which consumes money and resources with ample chaotic confusion, leading to errors and inaccuracies. We have not yet seen the full extent of the chaos created and, to a lesser degree, the lingering disruptive results on resource efficiency.

Those governments that enjoyed even a modest degree of digitisation allowed a degree of quasi-interrupted continuation. An application could be made, a license paid, a report filed, and an inquiry or investigative search could be exercised. It is not always perfect, and it may have had a few bumps along the way, but it was a far cry from having to cope with a static situation that left many dangling loose ends. Many of these outstanding conditions have been lost and are most likely going to resurface unexpectedly in the future.

The core capabilities of a digital government lie in the services, processes, decisions and data sharing.

MOVEMENT FORWARD

In the context of small/medium-sized governmental institutions, it is not as simple as converting manual records to a digital format. The transition must consider the many varied interactive relationships engaged regularly and routinely. This can entitle municipalities to consider the general public and the various subordinate communities that will comprise their local governmental unit (LGU). One is most likely thinking of formats, but matters involving control flow rates, information security restrictions, timing and anticipated volumes also need to be accounted for.

These factors create a different set of circumstances than what is happening now. Governments need to look at the full range of services which they offer. Some of these are directly part of the community, while others may be stewardship services that are a part of a much larger governmental unit. In consideration of this examination, one must determine if.

- There is a logical sequence of adoption
- What are the interconnective relationships with other services,
- What are the interconnective relationships with other governmental and public entities,
- Which services have a direct political influence (priorities), and
- The degree of present digitisation that can either be adopted or considered as a starting point for additional digitisation efforts,
- Timing (right area but wrong time to mount effort),
- The practicality of digital invocation, and
- Resource demands to fulfil the digitisation initiative.
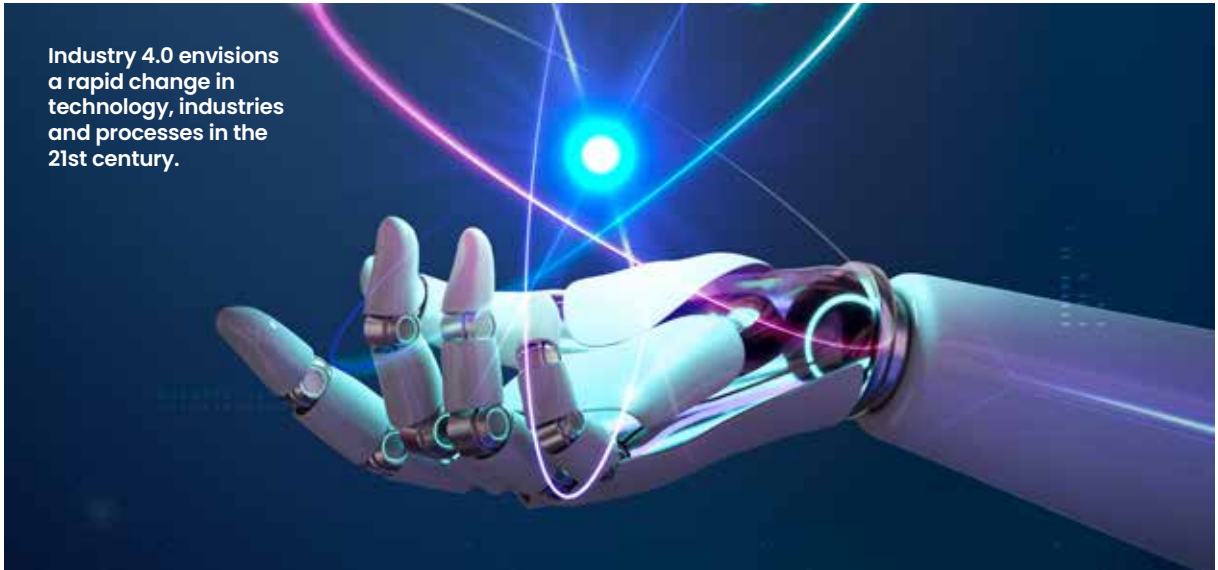
Industry 4.0 envisions a rapid change in technology, industries and processes in the 21st century.

A big part of the initiative will hinge upon digital transformation resources. In the case of private enterprises, the selection of resources will be determined by the policy. However, in the case of governmental units, it is customary that a digital transformation effort would require a public bidding process. First and foremost, it is implausible that the digitisation effort can be made using present governmental resources. Therefore, it will become necessary to seek support and resources from an external enterprise will become necessary. This will not only entail the development of an RFP/RFQ (Request For Bid/Request For Proposal) that produces proposal responses but also an entire review process to ensure appropriate submission compliance. Once an award(s) has been accepted, we are on our way to invoking the digital transitional transformation.

This shows that oversight will be needed and provided consistently across all digitisation endeavours. Because of the interconnected nature of digitisation, as a part of IR4.0, they will ultimately lead to a holistic final framework. In addition, oversight will be responsible for forming consistencies and arbitrating contentions between applications and the digitised data they possess. Satisfaction will be achieved through the right selection, proper supervision and flexibly attentive to the effort.

WHEN PUSH COMES TO SHOVE
While the prioritisation is heavily influenced by political promises, a relatively healthy degree of push may come from the general public. The pandemic has made us acutely aware that very little of our former physical contact with the government was unnecessary and that a lot could have been done remotely. The movement towards becoming a digitised government needed encouragement. Otherwise, it would be shallow words to mask past practices.

For governments to transition digitally, it will involve a course of process reexamination and the design of controls. It is to ensure that they are secure, possess integrity, retain legitimacy and are expediently exercised. This move means that agencies will need to give routine concentration to digital activities and avoid overlooking items involving their attention.

While this may sound reasonable, you might ask yourself how much attention is presently assigned to mundane email? It is not uncommon for emails to go unanswered or, at best, lack a responsible level of response. This is not a business as usual endeavour but one that shifts attention from a cue standing in front of a window to a virtual cue that adds an element of immediacy.

THERE IS NO CONCLUSION
We have our work cut out for us. While we are familiar with daily service routines, the digital transformation requires closer reexamination and reshaping.

- Outline all services prioritisation.
- Consider political and constituent demands that are explicit and implicit.
- Closely examine processes and the redesign to fit the digital deployment.
- Evaluate critical resources to address digital transformation, validation and confirmation, architecting digital processes using the interconnected IR4.0 paradigm.
- Transition to a digital service delivery model while considering that some will still require conventional services.
- Onset monitoring and adjustment to galvanise digital service delivery.
- Growth maintenance to address the dynamics of a changing world.

Islands will no longer represent digitisation in the government section. Instead, it will take on the embodiment of collective service delivery. This will require collective negotiation on what, where, and in what form digital events will take place. Joint compromise and negotiation will become the keystone to digital implementation success. o

Jerry Durant is Chairman and Founder of The Clarity Group Global, an established advisory consultancy committed to technological and organisational advancement. Clarity Group is also engaged in various progressive ventures involving the recovery of challenged enterprises, intelligent philanthropic investments, and greenfield research.

SHAPING THE FUTURE OF SMALL AND MEDIUM-SIZED CITIES THROUGH DIGITAL TRANSFORMATION

Adopting modern technologies in smart city transformation can improve economic competitiveness, quality of life and sustainability

FOURTH LEAP

By Dr Thomas Tang

URBAN cities are where the nexus of people, places and economies occur. Often chosen for locations convenient for trade, cities have expanded over time as they attract workers in search of opportunity and better lives for their families. But whilst the major cities like New York and Tokyo draw the most attention, there is an understated yet significant role that small and medium-sized cities (SMCs) have in the advanced world.

SMCs definition by the European Union

- ▶ Has a population density of between 300 and 1,500 inhabitants/km2 or between 50,000 and 5,000 inhabitants.
- ▶ In Western Europe, there are 850 larger cities, 8,414 small and medium-sized towns and 69,000 very small towns.
- ▶ About a quarter of the population live in SMCs and a fifth in the smaller towns.

Factors to SMCs' higher productivity rates

- ▶ Reasonable costs of living.
- ▶ Local economic clusters that complement urban hubs.
- ▶ Less congestion and bureaucracy.
- ▶ Lower unemployment rates as majority work in the industry than service sectors.

Significant challenges SMCs face

- ▶ Ageing workforces.
- ▶ Overburdened social services.
- ▶ Flight of young talents as they migrate to larger cities.
- ▶ Lack of investment into vital areas and infrastructure (transportation).

Digital technology, namely information, communication and technology or ICT, can potentially change the paradigm for SMCs. The advantages of ICT to enable smart cities have long been espoused, namely efficiency, better use of both public and private resources, responsiveness to changes, a better understanding of user needs and improvements in social innovation.

Based on a study by the World Economic Forum on SMCs in China, Japan, Brazil and Singapore, key obstacles have been identified: the small size of government digital teams, limited financial resources, insufficient education and skills and the lack of digital talent. Furthermore, intra- and intercity interoperability issues in services are also a concern. McKinsey consultants liken digital transformation success rate to as low as 30%.

But notwithstanding these challenges, SMCs can still harvest the benefits of ICT, where digital has a pivotal function in making SMCs smart and sustainable. The United for Smart Sustainable Cities initiative (U4SSC), coordinated by the International Telecommunication Union and UN-Habitat, helps support the development of institutional policies and strategies to encourage the use of ICT to facilitate digital transformation and ease the transition to smart, sustainable cities. U4SSC provides a list of 90 city-specific key performance indicators and practical solutions to improve the data collection process:

- Using Intelligent Transport Systems that reduce congestion and the provision smart access to public transport like online bus route schedules, train times, and micro-transit systems (bike sharing and transit on demand) makes mobility accessible and less time-consuming.
- Many SMCs have an interface with rural areas. They hence use the blue-green design (e.g. porous paving, bioswales and open spaces) and conserving spaces for natural habitats to encourage native flora and fauna species. In addition, digital mapping of villages, heritage sites, rural settlements and nature-based landmarks allows access for citizens and promotes liveability.

- Infrastructure can benefit from ICT. For example, water systems and distribution networks can be optimised and integrated with AI sensors to detect leaks and minimise non-revenue water. Using standard utility tunnels where pipes and cables are housed in well-laid-out ducts rather than in random trenches can also assist in deploying ICT to manage utility systems better.
- Many cities have committed themselves to achieving net zero carbon emissions. SMCs do not have the same advantages of economies of scale possessed by larger cities; nonetheless, they can reduce their carbon footprint through renewable energy such as solar and wind power, together with energy recovery and efficiency. Ultimately, these systems can be aligned through a smart grid which balances energy demand and supply amongst transport and building users and uses energy storage arrangements.

There are many other applications of ICT that can lead to the digital transformation of SMCs. But the point is that digital technology is more than just improving efficiency. Like larger cities, SMCs must build resilience to short-term and long-term disasters.

COVID 19 is a good example of a disaster that struck and overpowered the world's health resources in a short space of time. Responding to a pandemic is incumbent on any city, let alone SMCs, to protect citizens and ensure continuity. But SMCs hold certain advantages in terms of having less complex governance systems, faster decision-making processes and response times to cope with the virus spread. As a result, recovery should hopefully be quicker as well.

Digital systems can be used in preparing for and responding to such disasters. For instance, cities facing climate disasters like severe typhoons and hurricanes, flooding and bush fires can utilise digital modelling to forecast weather changes and adapt infrastructure and other defence systems accordingly. For SMCs, building this type of resilience – whether dealing with disease or climate change - can be accomplished through robust digital and ICT systems,g but this often depends on the investment from city budgets.

In digital transformation, we must bear in mind the question of social equity. Too often, digital projects are designed to favour specific communities and can exacerbate the digital divide between the groups that do not have ICT access. As SMCs evolve and grow, opportunities might affect marginalised groups in terms of quality of housing, jobs, neighbourhoods, community services, utilities, and more. Digital transformation should offer many opportunities for societies, and ensuring everyone has the means and digital literacy to access them is important.

It is necessary that, as part of the transformation, there must be equitable distribution of outcomes to alleviate economic and social distress so that positive legacies are in place for future generations. ◘

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DIGITAL TECHNOLOGIES CAN REDUCE EMISSIONS BY UP TO 20%: WEF STUDY

As businesses and governments respond to global calls for action to tackle climate change, significant efforts must be put in place to achieve net zero, but a large gap remains between commitments and action

WORLD ECONOMIC FORUM (WEF) NEWS

Energy, materials and mobility constitute the highest emission sectors.

DIGITAL technologies can reduce greenhouse gas emissions by up to 20% by 2050 in the three highest emitting sectors - energy, mobility and materials, according to WEF.

As businesses and governments respond to global calls for action to tackle climate change, significant efforts must be put in place to achieve net zero. Still, a large gap remains between commitments and action.

Estimates of current commitments indicate a projected emissions reduction of merely 7.5% when a 55% reduction is needed. Closing this gap will require high-emitting sectors to rethink efficiency, circularity and sustainability.

Energy, materials and mobility constitute the highest emission sectors, contributing 43%, 26% and 24% respectively of total emissions in 2020.

These industries can use four digital technologies to decarbonise their operations and value chains- foundational technologies such as big data analytics; decision-making technologies such as artificial intelligence/machine learning; enabling technologies such as cloud, 5G, blockchain and augmented reality; and sensing and control technologies such as internet of things, drones and automation, the WEF said.

According to the estimates, digital solutions can reduce emissions by up to 8% in the energy sector by enhancing carbon-intensive processes, improving energy efficiency in buildings, and deploying and managing renewable energy.

In the materials sector, digital solutions can improve mining and upstream production and enhance efficiency and circularity of materials, reducing up to 7% of greenhouse gas emissions by 2050.

The mobility sector can reduce emissions by up to 5 per cent by supporting the transition from fossil fuel combustion to green molecules, improving supply chain efficiencies and optimising travel routes. ⬛

DIGITAL DISRUPTION AND THE FUTURE OF WORK

**FOURTH LEAP**
By Bobby Varanasi

The only certainties in this new post-pandemic world are continued disruption and digitalisation of working practices

REIMAGINING THE WORLD ORDER

The pace of the invention of new technologies has begun to alarm humans into inquiring about what would be left to do if machines could completely replace humans. The workplace ambiguities are increasing at a tremendous pace, perhaps more exponentially compared to the rate of innovation. Meanwhile, talent is changing, and education is abundant. Structural changes in the workplace can be painful but ultimately progressive. Various new techniques driven by AI, machines and deep learning are opening new vistas to gaining business insights. Deployment of such tools in businesses is resulting in greater efficiencies but increasingly diluting the role of people as a factor of production. While this directly impacts the "employed workforce", organisations have begun to deploy off-balance-sheet talent by adopting an open talent continuum. These shifts are forcing us to reconsider the role of individuals, organisations, hierarchies, accountability workflows, labour laws, etc.

"Reimagining the workplace will require us to up-end our views on employment in radical ways, ensuring inclusivity and socioeconomic gains without compromising agility."

However, questions remain on the nature of evolution, unavoidable disruptions, resistance to change, and dealing with lost opportunities. We believe this question is best addressed not by looking at the impacted but by the forces shaping such changes – evolving customer behaviour, demographics, globalised marketplaces, virtual platforms and the interactions that occur amongst these forces. During our initial knowledge papers on the Future of Work, we articulated the nature of three briquettes influencing corporations and societies worldwide, as exemplified in the infographic below: Virreal World, Workplosion, and Borderless Boundaries.
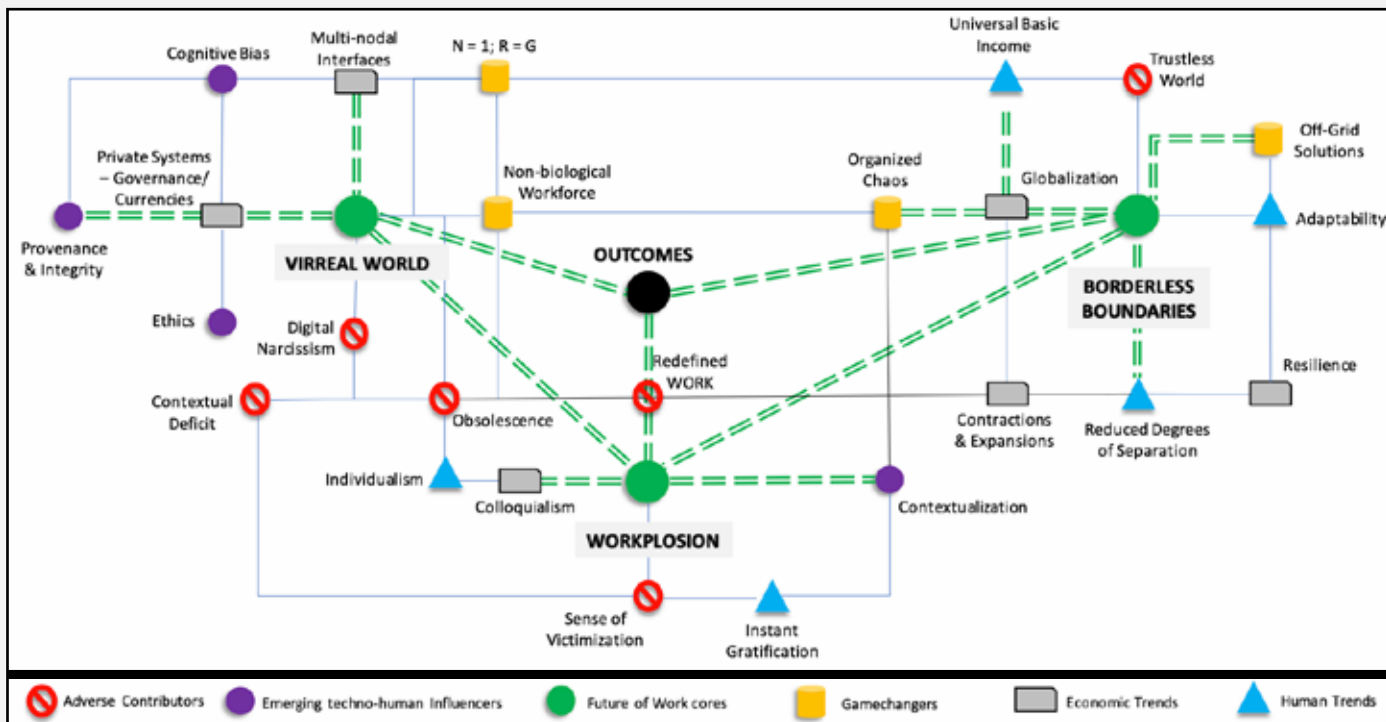
Meanwhile, we note significant conversations around digital disruption and how these digital tools, technologies and approaches are upending the traditional way of doing things. Every such discussion invariably focuses on the technologies themselves – RPA, AI, NLP, ML, Cognitive Computing, IIOT and the like. We miss the forest for the trees by focusing on the enablers instead of the drivers themselves. As I have patiently argued in my emphasis on the future work involving the three briquettes, so do the two institutes – the Institute for the Future and the University of Phoenix Research Institute.

The crucial point of this research, the entire approach uses foresight as a starting point for a process that IFTF calls Foresight to Insight to Action. This process enables people to take future visions and convert them into meaningful insights and actions they can take to be successful in the future.

Digital disruption is a big thing in the business market today and has become relatively intimidating as new technologies emerge.

The emphasis here is to capture signals – a small or local innovation or disruption that has the potential to grow in scale and geographic distribution. A signal can be a new product, a new practice, a new market strategy, a new policy, or new technology. In short, it catches our attention at one scale and in one locale and points to more significant implications for other areas or even globally. In addition, signals are helpful for people who are trying to anticipate a highly uncertain future since they tend to capture emergent phenomena sooner than traditional social science methods.
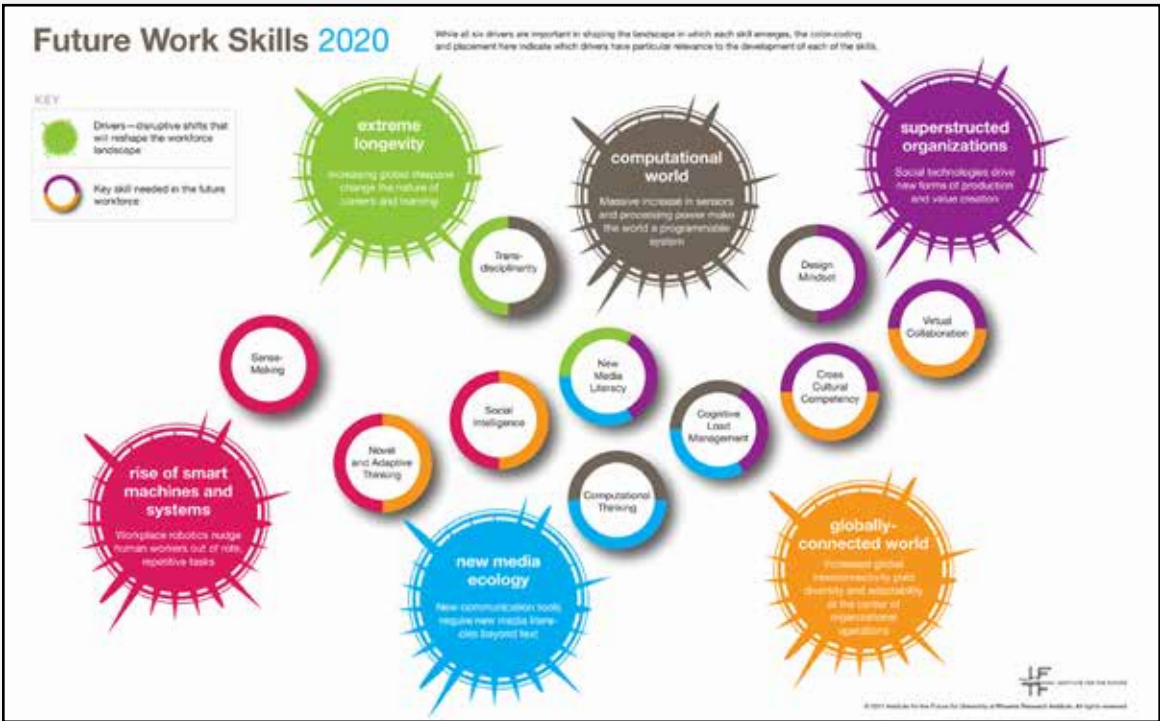
In doing so, we can extrapolate and envision the multi-nodal nature of various contributing factors to these three briquettes, particularly their direct and consequential impacts on one another. The interconnects, network effects and consequences to workplaces. The scope of this paper precludes this endeavour, given a different purpose aimed at determining implications for the bulk of young populations spread across the developing world.

Actions for the Developing World

Four key entities contributing to the future of our vast humanity need to undertake specific actions to be on the right side of development and sustenance. I envision a future where they launch the following concertedly, bereft of preconceived notions or denial of reality.

- Governments – aim to emphasise each signal's implications rather than pay all attention (through policy, guidelines, compliance, enforcement, and legal strictures) to obsolete and irrelevant modes of governance. The time for pretences and half-measures is over. One cannot hide behind irreconcilable constructs between history and citizen needs. Instead, the focus on enablement needs to be taken with a long view, where the emphasis is on creating an environment that can thrive in ambiguity, remain localised, yet stay connected with the rest of the world irrevocably. Constrictions must give way to collaboration, discard biases in favour of value, and build resilience on the back of continued focus on the pulse of change. This range of nations like India, Indonesia, and Brazil has proven it, so why not others?
- Corporations – aim to move away from leaders defining themselves as coming from a particular school of thought (old, new, modern, every day) as that is irrelevant. Instead, emphasis must be placed on unequivocally creating environments that enable dissent, discourse, creation, and rejection of the norm for value. Organisations built on the tyranny of hierarchy have to give way to modern non-hierarchical endeavours aimed at value and resilience. One can no longer have some fancy titles running around like foxes in a henhouse. Instead, the predatory nature of capitalism must be replaced with inclusive development (and indeed not the way it is done today with discrete and irresponsible talk around ESG or DEI et al.).
- Civil Societies – aim to move away from colloquialism. Instead, move toward a future where co-existence and collaboration become the norm instead of the exception. This can only be attained when the confluence between tradition and modernity is married with a view to the future instead of enforced classification belonging to one of the two sides of the equation.

Rejectionism has become quite commonplace, manifested in modern-day innovations like cryptocurrencies, decentralised financing and more. This is a rejection of traditional models that seem to have failed most of humanity in ways that one can comprehend just by looking at the previous hundred years of the tumultuous history of the planet. But unfortunately, this "opposite" view again has an eerie similarity with the traditional capitalist pursuit – that of exclusionary approach and entitlement. Neither model is good for us, as both will eventually collapse and implode in incomprehensible manners. Therefore, it is time for us to let go of the penchant for taking sides and build a "new" model for all. 0

Bobby Varanasi is one of the acknowledged Top 25 Globalisation Leaders in the global sourcing space and the Founder of Matryzel Consulting: an independent advisory firm recognised as one of the World's Best Outsourcing Advisory Firms. He brings two decades of experience in consulting and management across IT, Business Services and building global operations.

Business leaders must prioritise the workforce changes that will fast-forward their digital journey.

THE FUTURE OF SMALL MEDIUM CITIES IN AN ERA OF HYPER RAPID CHANGE

McKinsey estimates more than 20% of the global workforce could operate the bulk of their time away from the office without any impact on productivity

FOURTH LEAP

By Martin Conboy

Work, workers and the organisations will evolve to something we have never imagined in the years ahead.

TREMENDOUS forces are radically reshaping the world of work as we know it. Disruptive innovations are creating new industries and business models while destroying old ones. In addition, new technologies, data analytics and social networks significantly impact how we communicate, collaborate and work.

Many of tomorrow's roles and job titles will be the ones we have not even thought of yet. The estimation is that 65% of current jobs will not exist in the future, many of which you can complete from anywhere.

To understand what your workplace will be like in 5, 10 or 30 years out, you must first think about what work will look like. Since most of our past and present economic success is based on the job economy, such thinking represents a serious threat to our future. Even those who do not believe the current economic system can persevere still struggle to articulate viable alternative economic models.

Today, people go to where the work is. In the future, work will go where the skills are, most likely in smaller cities away from major population centres. One only must look at the current world flight from major metropolitan centres to smaller, rural towns.

Driven by COVID-19, people have moved to non-major metropolitan areas where they find cheaper housing with more space for their families and can work happily and efficiently from home. This has driven up real-estate values in non-metropolitan and rural areas. However, on the downside, many of these non-metropolitan areas lack basic digital infrastructure (think: slow and patchy internet).

Furthermore, many SMCs do not have the facilities to handle fast population growth, i.e. schools, hospitals, transport infrastructure and many more. Do not forget that these new workers also desire smart, well-connected housing.

STEM skills (Science, Technology, Engineering, and Mathematics) will be the requirements for future jobs. Nations developing or otherwise operating in a globally competitive job market are moving rapidly toward a digital economy. The Australian Industry (AI) Group is warning that Australia risks falling behind other OECD countries without increasing focus on the skills that can equip future workforces. SMCs must leapfrog the demand by encouraging their education facilities to push out more STEM graduates.

For small and medium-sized cities (SMCs), digital transformation is particularly important. Currently, most SMCs face the challenge of slow incremental development. However, digital transformation can and will disrupt traditional business models, break down geographical and spatial boundaries, and thus create new ways to live in the digital era. This can, in turn, help improve the livelihood, economy, governance and environment of smaller cities and support the conducive integration of people, industry and infrastructure.

Global connectivity, smart-machines new media and the flight from capital cities are just some drivers reshaping how we think about work, what constitutes work and the skills we will need to be productive, global contributors in the future.

The fast-growing economies of Southeast Asia have increased the competition for human capital to new heights, making the process of talent acquisition and retention more of a challenge for human capital teams and recruitment professionals.

Now, and in the future, understanding workforce capabilities, modern methodologies, technology, tools, techniques, processes and obstacles to succeed in human resource management is crucial. SMCs cannot sit on their hands and try and figure it all out. After all, no individual location is an island! Lots of SMCs are trying to get a chip in the game.

Before the COVID-19 pandemic, work-from-home (WFH) or remote working was not particularly popular in most areas of the world. This is because many organisations fail to trust the employees to take on work-from-home for most of the working week. The fact that the great "experiment" largely succeeded is a tribute to the maturity of the digital tools and capabilities available today (think: Zoom, Slack, Teams and others).

The use of these solutions rocketed during the crisis. COVID-19 has pushed companies over the technology tipping point and transformed business forever. Gartner estimates that the use of collaboration platforms alone surged 44% between 2019 and 2021. The future of work will come in many shapes and forms, including hybrid working culture, where employees work from their office desks for a few days a week and can work remotely for the remainder of the time.

McKinsey estimates that more than 20% of the global workforce - although mainly those in high-skilled roles in verticals such as finance, insurance, and IT - could work most of the time away from the office without any impact on productivity. However, organisations must double up on digital transformation to make this a reality. That means expanding beyond one-off investments in new collaboration platforms to initiatives that create fully connected workplace experiences.

Therefore, organisations will need to create a frictionless hybrid working environment, and SMCs need to create the framework to make this possible (i.e. high-speed internet). This change will be entirely enabled by the new digital initiatives - where aside from the social aspects, their employees do not notice any difference between working from home or being in the office.

Automation will be key to succeeding with these initiatives, empowering business users to connect apps and data independently to become more self-reliant while away from the office. Low-code techniques will be essential, having been identified by 42% of business users as critical to their ability to create better-connected employee experiences. This is not just about driving employee productivity but also retaining talent. Home workers expect the same level of connected experience they get in their personal lives at work, wherever that might be!

Successful organisations are built on the productivity and dedication of their employees. So when the pandemic forced offices worldwide to close, employers were understandably nervous. What followed was called the "largest work-from-home experiment" in history. It has reshaped the meaning of "workplace" and transformed employee expectations.

Its impact is still being considered today as many more stories about employees who flatly refuse to return to the office no matter what. If you force them to comply, they will simply up and leave and find a company that parallels their viewpoint.

It is estimated that 65% of current jobs will no longer exist in the future.

DIGITAL TRANSFORMATION

Why does a company need digital transformation? A company may take on digital transformation for several reasons. However, the most crucial reason is basic economic survival. Digital transformation is tough to define because it looks very different for every industry. Yet, in general terms, it is explained as incorporating digital technology into all business areas.

The result fundamentally changes how businesses function and interact with customers. It is a radical rethinking of how an organisation uses technology in conjunction with processes and people to change business performance. Digital transformation requires tremendous cross-departmental cooperation within a company to effectively pair rapid application development models with business-focused philosophies.

COVID-19 has illustrated the importance of adapting quickly to dramatic changes, including disruptions to supply chains, time-to-market pressures and rapidly changing customer expectations. Spending on the digital transformation of business practices, products and organisations has never been more critical for their survival.

UN-Habitat's World Cities Report 2020 points out that urbanisation will remain a driver of global growth. Small and medium-sized cities (SMCs) are an essential part of the urban system, an intermediate level between large cities and rural towns.

Their functional positioning comprises four aspects:

- ▶ industrial development
- ▶ public services
- ▶ employment absorption
- ▶ population clustering

This process provides opportunities for SMCs to improve their competitiveness in a society rapidly, economy, governance and the environment. SMCs are becoming important vehicles for digital transformation, and the study of digital transformation models and practices in SMCs has essential social value for the world. The vision is to make SMCs a better place for people to live, work, and play.

However, the challenges of digital transformation for SMCs are, by and large, reflected in the following aspects:

- ▶ shortage of digital talent
- ▶ insufficient funds and resources
- ▶ lack of understanding and application of digital technologies
- ▶ lack of intercity interaction and cooperation mechanisms

Every organisation must undergo digital transformation to adapt to today's rapid technological changes and stay relevant.

The digital transformation of SMCs requires adopting an approach of "commonality and individuality". In addition, the planning and promotion of the digital transformation of SMCs should also consider the differences between SMCs and big cities.

The digital transformation of SMCs can be divided into seven functional areas:

- ▶ public and social services
- ▶ industry and economy
- ▶ governance
- ▶ environment and low carbon
- ▶ governmental effectiveness
- ▶ infrastructure
- ▶ development assurance (leadership/policy)

Each area can then be divided into three maturity levels (Phase 1 to 3). In their planning and implementation, SMCs can incorporate their resource endowment, industrial characteristics and development goals and propose their digital transformation based on the various methodological options available to SMCs as they undergo digital transformation.

To realise the digital transformation of SMCs, governments, enterprises, research institutions and citizens need to coordinate and act together. This will not be an individualism exercise but a whole government approach collaborating intimately with industry. 0

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The industrial revolution might negatively impact climate change if sustainable practices are neglected.

TO DISRUPT OR BE DISRUPTED – TOWARDS AN ALIGNED PROGRESS

Technological and social advancement are essential for developing sustainable solutions that fulfil the fundamental sustainability criteria

FOURTH LEAP

By Helen Selvanathan

EVERY industrial revolution brought benefits and challenges to the socioeconomic status of the countries engaged in such transformation. It results in economic growth, increased productivity and advanced welfare in the countries that managed to reap most of its positive impact. However, the wealth distribution within the developed countries that led the industrial revolution was not equitable, certainly not at the global level, where inequality has become one of the key challenges along with climate change and other sustainability issues.

The advent of focus and emphasis on Industrial Revolution 4.0 has made this industrialisation an epicentre for development, growth and innovation across the globe. It's a sense of domino effect as digital is reshaping every industry.

Industrial companies had concerned a few years ago about being disrupted by the changing environment of the business ecosystem.

GE Digital, Which Embarked on Digital Transformation:

As an example, we learn their efforts in enabling productivity around industrial assets brought an end-to-end approach connecting across the asset value streams. GE Digital recognised the tremendous value and became iconic in their build, operation and optimising of the model. Their focus on production (at manufacturing) and bridging the asset performance with optimising their services gave them increased output, productivity, machine utilisation and decreased downtime.

Fueled by the changes, Moderna:
Tapped into the holy grail of digitalisation during the pandemic, it is a part of their effort to generate data. Leveraging integrated structures, enabled by cloud infrastructure and rising IoT, analytics and automated processes with artificial intelligence/ augmented reality to bring the best out of data into their research, clinical efforts and production of the next generation of medication. Indeed an edge amid the pandemic hit us and managing timely data crunching into a supply chain supporting the community was vital for Moderna.

Transformation of traditional manufacturing relationships, supported by smart factories and multiple facets of advancements in supply chain management, have become markers of the new face of digital industrialisation. So when we see disruption on our horizon, we need to start recognising a big market, noting that change is coming, business models will fundamentally change, and technology will be the constant driver.

A Recent Issue in Malaysia

Our chicken story needs equal attention. A remedial plan must be derived for the industry's future with sustainable food production and a free market concept, supported by a less resource-intensive way to address the lack of labour. Where do we plan to disrupt this situation so we can avoid negative consequences? Do you believe automation will address these issues?

Industry 4.0 is not an exception to the eras of the past industries, but it is expected to bring immense benefits and many challenges. Recently, most stakeholders are raising their hands in concerns about cyber security risks because Industry 4.0 has automation and IoT as the backbone. Moreover, the technological advancement and development rate in Industry 4.0 is faster; thus, anticipating the challenges and benefits is much more complex than experienced in previous industrial revolutions.

Therefore, technological and business-driven innovative solutions are not going to be enough. Innovation in its broadest sense is the key solution, particularly social innovation. The same drive to innovate technologies to increase productivity can also be utilised to improve the welfare and societal needs of the world population.

The concept of social innovation denotes the processes and factors that lead to a sustained positive transformation of the network society. Many known innovations can be classified as social innovations, for example, sustainable solutions to environmental problems, health insurance, new learning models, and

Industry 4.0 is changing lives through improved products and services, road safety, better working conditions, and even healthcare.

transportation facilities. Social innovation flourished recently as a promising mechanism to tackle the inefficiency of the existing policies and models targeting the most pressing global issues such as chronic diseases, climate changes, and inequality.

This new economic paradigm makes the Internet (and data) a way to create value for people and societies and not only serve as a communication channel. Industry 4.0 makes the world more digital, connected, flexible, and responsive. As a result, well-known social relationships are changing beyond recognition; we are moving from business-to-consumer relationships to peer-to-peer modes.

The amount of data flowing in and out of even our mobile devices brings the loss of control over data, and the new connectivity discloses our personal lives more. For example, the revolution in biotechnology redefines what it means to be human by changing the threshold of life period, health, and cognition, which also forces us to redefine our moral and ethical boundaries. Thus, a key challenge for government, policymakers, and society is how do we make a difference and shift the industry and society's culture to tackle the technological disruptions associated with this new industrial era.

The industrial revolutions were often remarked on as failing to address the most pressing issues facing modern societies. These include climate change, chronic diseases, and inequality. With the transition to Industry 4.0, policymakers should consider its global impact on current and potential social problems through the social dimensions of new technologies.

A good base to start with is using the sustainability concept in its totality, which exceeds the emphasis of meeting the requirements of present generations without compromising the ability of future generations. In addition, technological and social innovation are key drivers in providing sustainable solutions that meet the three key sustainability criteria (economic, social, and environmental) and can act as an assessment mechanism for any related developments of Industry 4.0.

For Malaysian organisations with an aggressive next step to make sustainable initiatives an integral part of the business transformation, the integrated framework as a filter provides guidance to scrutinise technology developments coming out of Industry 4.0. It also emphasises the reciprocal roles of technological and social innovations with an inclusive approach to designing a creative platform. This creative platform can and should include experts from multi-disciplines, including economists, social scientists, environmentalists, futurists, artists, and other creative people who align with this framework and bring forth novel solutions.

Malaysia's multi-cultural society should benefit from such industrial transformation because we are connected mainly as consumers and producers. Therefore, we can participate in the production and consumption process to make this world a better place. ◻
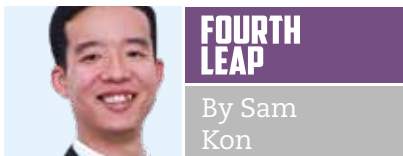
Helen Selvanathan is a Senior Director, Partner Go-to-Market, Software Solution Partners, SAP Asia Pacific & Japan. She supports business partners who innovate, build and extend solutions that leverage SAP products. She also supports the company's efforts toward building a more sustainable and socially responsible world.

TWENTY TWENTY TWO IS LIKE TWENTY TWENTY TOO (PART 2)

By utilising content marketing strategy, you guide the consumer's attention to more content, establishing your brand and helping you learn your audience better.

FOURTH LEAP

By Sam Kon

AS businesses start to reopen and economic activity picks up again, it is essential to remember that the business challenges are not over yet. Throughout 2021, the consumers faced two waves of inflation. The first was felt in the second quarter when commodity prices went up, for instance, the cost of steel to a historic high. This was followed by an increase in the prices of materials that are energy intensive to produce, as the cost of energy started spiralling during the fourth quarter.

As economic events continue to be volatile, so will the consumers. They become cautious of their spending, and businesses must find ways to mitigate risks while maintaining revenues. This article highlights two points for companies to consider when navigating such turbulent times.

OPTIMISE YOUR OPERATIONS

The dependence on products that rely heavily on coal, gas and electricity makes the sector particularly vulnerable to prolonged energy price increases — and this situation will not change anytime soon. Moreover, the global transition to cleaner energy may result in higher gas and electricity costs, but as the share of renewable electricity grows, prices should stabilise eventually and fall.

One of the live stream content ideas can be an extensive demonstration of your products and services to garner more viewers

The geopolitical tension in Ukraine is expected to cause huge shifts and resource restrictions in the already volatile market. Due to these many challenges, boosting productivity may be key for many companies to succeed. Therefore, managing cost drivers, proactive risk management, and maximising organisation-specific value must be top priorities.

In China, the factory and transportation in China are affected due to COVID-19. Shenzhen and Shanghai have been put on lockdown. As a result, companies may already experience a disruption to their operations and supply chain.

Amid the limitations in available resources and disruption to the supply chain, companies must thoroughly assess their operational costs to understand if it weighs up to their actual benefits. Mapping out key operations processes helps to identify operational deficiencies. This will help businesses reduce operational risks and achieve better time, cost, and quality efficiencies.

Clients are encouraged to consider establishing reliable supply chain partners who can help deliver and mitigate risk proactively in view of the current and foreseeable volatility.

CONTENT IS YOUR QUEEN

Like chess, the queen is the most powerful and versatile piece on the board. Like a chess queen, online content should be able to move in any direction, reaching consumers in new and innovative ways. Online platforms allow content to be shown to consumers in various formats, from live stream sessions and augmented reality to interactive graphic design and live chat. This flexibility means businesses can reach their target audience in the most effective way possible, whether through engaging visuals or informative text. With so many possibilities at their fingertips, businesses are spoiled for choice when creating content that will make a real impact.

Unfortunately, many brands struggle with creating informative and engaging content. In a recent Blueprint workshop, we tackled this issue head-on with the health and wellness industry. After reviewing their existing listings, we found they were aesthetically pleasing but lacked the kind of content that would excite customers and entice them to purchase the product.

In this example of our client, it is essential to use a framework to guide their target audience through the process from attention to action.

E-commerce is a huge and ever-growing industry, and with it comes increased pressure on operations and marketplace strategies. To keep up with the competition, businesses need to relook into their operations and reorganise their e-commerce tactics. Our Max Ops program helps brands and businesses map their key operations processes within a business to simplify operations, reduce risks, and achieve better

AIDA Framework

- Stands for Attention, Interest, Desire, Action
- Uses live stream to reach out to new customers
- Pitches new and different topics that interest the audience
- Prepare a well-designed graphic and bite-sized information
- Combine all elements to create a promotion

AWARENESS
INTEREST
DECISION
SALES

time, cost, or quality efficiencies. To top it off with the strategic Blueprint session covering end-to-end e-commerce tactics, businesses have a 360-degree view and clarity on pursuing forward through these uncertain times. O

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The COVID-19 lockdown causes a lot of businesses to re-evaluate their operations and supply chains.

"Here are the minutes of our last meeting. Some events have been fictionalized for dramatic purposes."

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