

Boardroom Questions

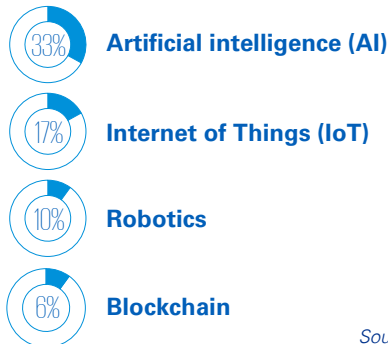
The changing landscape of disruptive technologies

Disruptive technologies are redefining industries and business



As the evolution of disruptive technologies move firmly into the mainstream, they will drive business transformation over the next 3 years.

Technology disruptors driving the greatest business transformation:



New business models that will be the greatest disruptors:

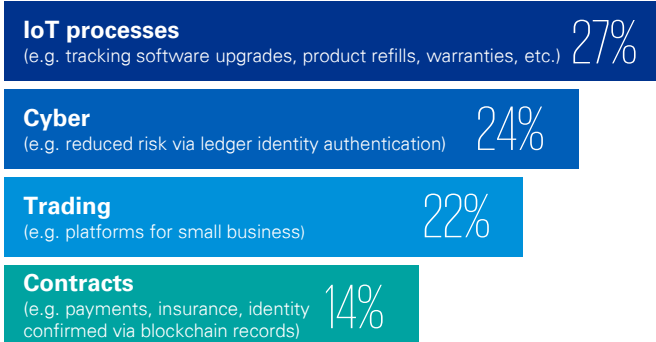


Source: KPMG Technology Innovation findings, March 2018

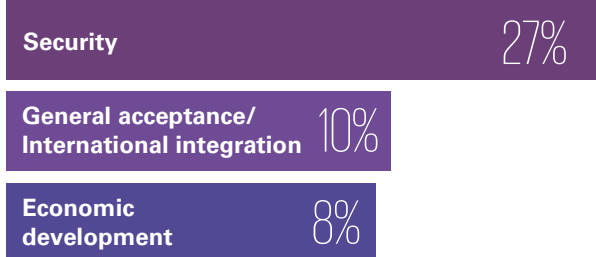
Blockchain

1 in 3 global top tech industry leaders predict Blockchain will likely disrupt their company. Blockchain results in **greater operational efficiency**, **increased trust** between institutions, and **reduction in labor-intensive data gathering, processing time and costs**

What will be the greatest disruption resulting from Blockchain initiatives in the next 3 years?



What are the critical factors for Blockchain to succeed?



Source: KPMG Technology Innovation findings, March 2018

Top issues that constrain tech innovation

24% **Restrictive regulatory policy**

It is critical to assess the impact of emerging technologies on **business and society**. Transparency about how emerging technologies are **implemented** is important. New regulations are focused on **cyber, privacy and data governance**

22% **Access to expertise/talent**

As technology innovation continues to change business models, there is a shift in the talent and skills companies will need to succeed. Visionary leaders are **redefining the jobs and skills required to prosper in the digital age**

21% **Non-existent tech standards**

Tech industry consortiums are beginning to define standards for new technologies to **enable integration and reduce complexity**

Source: KPMG Technology Innovation findings, March 2018

Barriers to technology innovation and emerging technologies commercialization



22%

Customer adoption

The interactions customers have with products and services are happening more on the customers' terms. A **customer-centric operating model** enables the development of new customer value and the creation of experiences that delight customers to differentiate the brand and increase product adoption

21%

Funding and access to capital

It is important to assess competing priorities, level of investment, and risk and rewards to obtain **realistic go-to-market funding**

21%

Cyber security

Securing and protecting customer privacy is foundational to maintain market leadership and customer trust. Companies are reviewing their **cyber security strategies** at the highest levels, and on a regular basis, because the risk evolves as quickly as the technology

Source: KPMG Technology Innovation findings, March 2018

Boardroom Questions



- 1 How are we **proactively assessing technologies** that will enable new business models and **long term value creation**?
- 2 **What organization structure, diverse expertise and process do we require** to understand the scope of change driven by emerging technologies?
- 3 What emerging technologies **might disrupt the company** and the industry in the next 36 months?
- 4 What are the **opportunities and challenges** resulting from these new technologies?
- 5 How are new technologies impacting our stakeholders including **customers, suppliers and partners**? What are the **business implications**?
- 6 management team, implement to **take advantage of these tech disruptors**?
- 7 **Is the business strategy and operating model** enabling the C-Suite to drive opportunities resulting from new technologies?
- 8 Does the company have the **expertise and agility** to take advantage of these technologies?
- 9 Is the corporate **culture** continuously fostering **innovation** and enabling **experimentation**?
- 10 Is the management team prioritizing investments in the **people, partnerships and resources** to capitalize on opportunities driven by tech innovation?

What actions should we as a Board, and the

What actions can the Board consider?



- 1 Ensure we have **a strategy to be ready** for the accelerating pace of technology disruption including people, process and technology.
- 2 Revisit the business strategy often to understand **how emerging technologies will impact the business model**. Assess opportunities and challenges.
- 3 Evaluate how emerging technologies will impact **key stakeholders and their value propositions**.
- 4 **Rethink the business model** to harness these new technologies and the ecosystems around them to gain competitive advantage.
- 5 Prioritize the adoption of new technologies that will enable the company to **capitalize on long term value creation**.
- 6 **Reconsider capital allocation** to optimize innovation funding. Revisit **M&A and partnership** strategies.
- 7 **Make sure resources** are aligned to capitalize on the value of adopting emerging technologies.
- 8 Confirm the **corporate culture embraces innovation**.

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