October – December 2016

AAMO leading the way

Management & Leadership News from the AAMO Region

Volume 1, Issue 2

Theme: Meeting the Tech Challenge

Condolence Message

Vale, Bryan Nye OAM FAIM.

The Asian Association of Management Organisations would like to take this opportunity to extend its condolences for the untimely death of its President Mr Bryan Nye.

When AIM assumed the secretariat of AAMO in October 2013, Bryan Nye was appointed AAMO President. Bryan relished his role as AAMO President and was passionate about furthering the collaboration of AAMO NMOs and their regional associates, all who will miss his wealth of knowledge and wise counsel.

Bryan was an Ambassador, Former Chairman, and a Fellow of the Australian Institute of Management. He was instrumental in the merger of AIM, bringing all independent state divisions together to form one National body in 2014.

Bryan was awarded the Order of Australia medal in 2014 for service to the rail transport industry and to the business sector. He is survived by his wife Claudia, two adult children and seven grandchildren.

Technology's Role in Supporting Digital Banking

Terrence Yong, Managing Director, SAP Malaysia

Digital technology is dramatically changing the banking industry by influencing the way we bank and also turning money into the ultimate digital service. To be successful, banks require an innovative digital banking strategy that supports a variety of channels to attract and keep customers while combating increased competition from traditional and non-traditional players.

Omnichannel banking enables banks to focus on providing a consistent channel that offers an optimised, seamless experience and meets immediate customer needs. For banks, this is an opportunity to fully understand the customer by coupling individual digital

channels to sophisticated analytics engines. As a result, they can focus their attention on more profitable customers and activities that drive revenue.

Malaysian Banks' Positive Trajectory with Technology

In recent years, Malaysian banks have been on a positive growth trajectory and this has been largely due to lessons learnt from the financial meltdown of 1997. Today Malaysia has a different – and much healthier story – altogether. Banks have greater market capitalisation, and policies placed by Bank Negara Malaysia have resulted in sustainable growth. This was acknowledged by Bank Negara Governor Tan Sri Dr. Akhtar Zeti Aziz recently at the Economic Update Forum in September 2015, who highlighted how Malaysia have a solid banking sector, without any period of credit growth disruption.

That said, there is yet another element that has contributed tremendously to the sustainable growth of Malaysian banks. This crucial element is technology – and its evolution – aided by carefully focused technology investments by the banks themselves.

In the past, multiple issues have plagued the banking industry when it comes to technology, parts of which have stemmed from silos of legacy solutions. These often led to integration challenges and efficiency issues.

Thanks to increasingly challenging business environments, banks have found that revisiting their IT architectures have been necessary to reduce cost, increase turnaround time and improve efficiency. With these architectural review initiatives, benefits in multiple areas such as channel capabilities, in particular, digital channels and streamlining of processes were seen.

To date, we have observed many Malaysian banks turning their focus towards improving their digital channels with an emphasis on mobile banking capabilities. This has largely been driven by the desire to cater to an ever demanding Gen-Y, also known as "millennials" – the youth of today who are growing up in the era of the Internet and digitisation.

As a result, the traditional bricks-and-mortar strategy of banks has seen a stunning change in dynamics.

Overcoming Current Challenges with Technology

As banks tackle the challenge of adding new digital channels, they need to look towards challenges and best ways to overcome potential issues around customer touch points such as:

• Fragmentation: Across any single bank's channel landscape, there is usually no single, cohesive voice and appearance in promotions, products and services, messages, and onboarding as well as support processes.

• Complexity: The system landscape may be costly to run or change. Sometimes, it may even be difficult to integrate new innovative third-party services, which are necessary to enhance the bank's services and capabilities

• Agility: Customers who interface with banking systems are becoming increasingly sophisticated and demanding modern conveniences. This requires a level of agility and flexibility in system interfaces. The speed of delivering regulatory and operational change is key to driving innovation and keeping customers.

• Self-service: Driven by experience in their personal lives, customers are expecting and demanding more. Their expectations revolve around being in control, and having an engaging personalised experience.

Banks today are looking to capitalise on deep customer insights to understand not just who their customers are and what they want to buy, but also how, when and where they want to do business with the bank. An omnichannel experience that uses each channel to market, sell or service customers is needed as customers of today want personalised, tailored products and services, as and when needed.

Technology as an Enabling Platform of Growth

Besides capitalising on deep customer insights, we can consider two means that banks can take into consideration in managing the environment, and to meet the need to reduce IT costs without compromising on technological advantages.

The first is a move to look at partnerships and profit sharing with vendors. Basically, banks and partner vendors share the cost of development, along with potential profits derivative of the system. This could provide a model of shared costs, instead of banks bearing the entire IT cost alone.

The other possibility is for banks to consider longer ROIs. Typically, banks have always looked towards a short ROI due to the immense pressure they face from stakeholders, especially where outlay in the IT arena is concerned. Instead of only considering three or four year periods, banks may have to consider staggered payback.

Whatever the chosen model may be, one thing is certain. Technology as an enabling platform for growth is here to stay – and banks should start viewing technology as an investment towards sustainable growth; rather than a cost booked in their ledgers.

Leveraging technology to improve the bank's capabilities also drives a very strong focus on enhancing the overall customer experience, through lower-cost digital and multichannel integration and marketing, improving security, and extending touchpoints on mobile devices.

The vision of digital banking includes the ability to give customers an optimised and engaging experience, no matter which interaction channel is used, to meet their needs for a simple means to leverage their wish for 'anytime, anywhere' banking.

Terrence Yong is Managing Director of SAP Malaysia and extremely passionate about how banks can run simple in the new digital economy, through clever deployment of technology.

Contributed by Malaysian Institute of Management.

Can Bitcoin and Blockchain Tackle Money Laundering and Terrorism Funding?

The diamond industry does not fund terrorism. But diamonds have been a popular commodity in the chain of money laundering and fraud that contributes to fund terror groups around the world. That's the problem Leanne Kemp, the CEO of Everledger decided to tackle.

There is a dark side of the diamond trade, for people who mine the gems, for the countries in which they are mined, and for societies impacted by the criminal activities of those who wish to hide where their wealth comes from, and where it is spent. This is the problem that Leanne Kemp identified and decided to tackle with her tech startup, Everledger.

“For generations, we've had this affinity with diamonds. It's one of those objects that becomes the mark in time of the important events in one's life. Whilst we have an absolute romance with diamonds, in the backdrop there are the atrocities associated with mining diamonds.”

Kemp also saw a business opportunity. The global diamond industry is worth $81 billion dollars. But its credibility – and hence its viability – is under threat as long as conscious buyers can not reliably determine the ethical status of the rocks they are purchasing.

Building a business with a core focus on social outcomes and that delivers economic value and replicable business models is possible. Indeed, according to Richard McGill Murphy and Denielle Sachs of McKinsey & Company, “Social entrepreneurs are part of a broader conversation about the relationship between business and society that has been gathering steam since the Great Recession.”

When times are tough you want to be able to get up in the morning and be driven by a purpose.

To Leanne, it's core to what Everledger do, and why they are doing it: “When times are tough you want to be able to get up in the morning and be driven by a purpose,” she says.

The challenge for Everledger has been to build a trusted and transparent platform that captured and tracked diamonds for their whole life (which, since diamonds are forever, is a long time.)

The solution they have found is blockchain. Talking technically blockchain is the open platform that enables digital currencies, like Bitcoin, to be tracked and managed without the need for third party management, such as a central bank.

Let's translate it into the binary world. Blockchain is a ledger, like the ledgers that businesses have used for centuries to record business transaction. But of course, these ledgers were only secure as long as they were safe and reliable and as long as the person making the entries was honest. Entries could be crossed out, written over and of course, once white-out was invented, then copy and paste, things got complicated.

Blockchain is a ledger that cannot be changed, written over or deleted. It cannot be lost, hidden, owned or kept in the company safe. It is immutable and open to all, to view and to add to.

Kemp saw the potential of the digital ledger that is blockchain as the basis of a truly trusted, transparent platform for recording and tracking diamonds.

Since information stored in the blockchain ledger can't be altered, counterfeiting diamonds is harder and theft less profitable.

Twelve months after taking part in FinTech incubator, Barclay's TechStars Accelerator in London, Kemp has found both her solution and herself catapulted onto the global stage alongside tech entrepreneurs, the likes of CEO and founder of Uber, Travis Kalanick.

But doing good, while doing well needs a business plan. As an entrepreneur with a track record of startups sold to public companies, Kemp has structured Everledger's activities around the enormous business opportunity that 'provenance' represents.

Kemp explained in her incubator presentation, “when provenance is lost, a new word emerges: risk, and risk is the foundation of our two biggest black markets: theft and fraud, that cost insurers 50 billion annually.”

And Provenance pays, she says. “Combatting counterfeit is a $1.7 trillion dollar problem.” It's a problem that the fine art market and the luxury goods industry are keen to work with Everledger to resolve.

Kemp is a Queenslander. Until 2013, her entrepreneurial career had been in based Australia. While Everledger has been forged in the financial and diamond centre of London, the technology base and brains trust behind the company continue to be sourced from Australia. “What has been happening in Queensland in the past 8 - 10 months has been truly transformative,” she says. “In Australia our work culture and ability to get things done is unique. I recognise where Australia can add significant value and benefit with Everledger and across all of the entrepreneur landscape globally.”

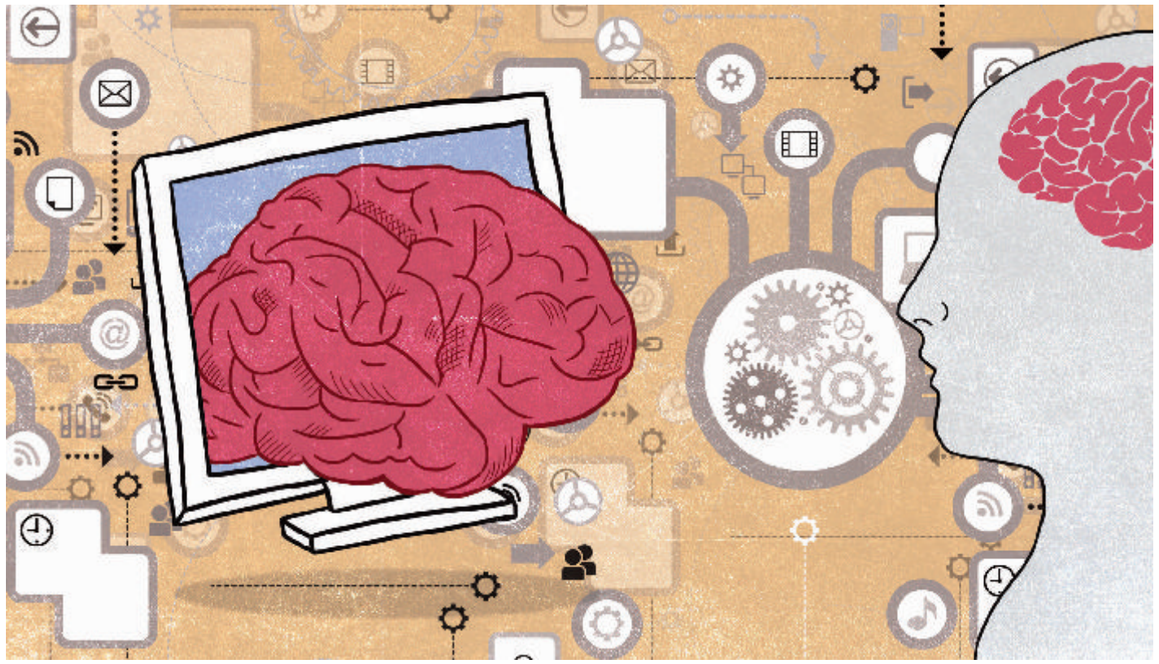
Everledger's company mantra, doing good while doing well, is extended to her ongoing relationship with the startup community in Australia. “It's a very proud moment for me to be able to sponsor some of the hackathons that come out of QUT and enable us to take the early talents and provide them not only with a great framework for innovation but to enable them to come to our offices in New York and London, and create pathways for career advancement.”

Doing good while doing well is a shared value approach, that as Michael Porter proposed, reconnects company success with social progress. Companies like Everledger are leading Australia's landscape in social entrepreneurship and sharing the benefits.

Listen to the full interview with Leanne Kemp on Insight Edge, AIM’s leadership podcast available on itunes.

Contributed by Australian Institute of Management.

Smarter Than Your Average Analyst



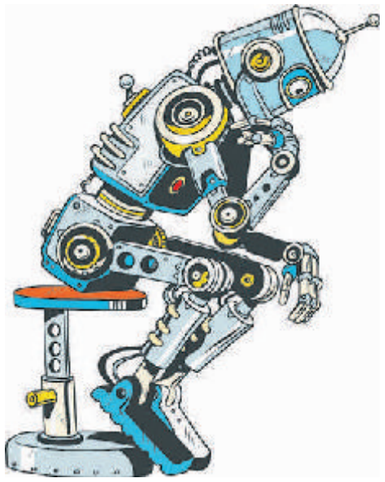
Cognitive technology may be one of the best ways to harness the potential of big data.

Siddarth Bharwani, Jetking Infotrain Limited

Recently, a former National Security Agency (NSA) official-turned-whistleblower revealed that the agency was overwhelmed due to the sheer amounts of data it was receiving, and that it was finding it difficult to make sense of it all. Similarly, many organisational ERP and CRM programmes, such as marketing outreach and HR feedback systems, are rendered inefficient due to analysts not being able to make use of the data generated to derive insights. This is where cognitive technology kicks in. It is already being touted as the next big thing after the evolution of cloud, big data, and mobile. And India is at the centre of this new technological innovation. The goal of cognitive computing is to create automated IT systems that are capable of solving problems, without requiring human assistance. This will enable computer systems to improve their performance by depending only on detecting patterns in the data. Once discovered, it can be used to make appropriate predictions. For instance, presented with a database of information about credit card transactions—such as time, merchant, date, merchant location, price, and whether the transaction was legitimate or fraudulent—cognitive technology will help a computer learn patterns that are predictive of fraud. The more data it processes, the better its predictions are expected to become. While such a technology sounds like a dream come true, its main limitation stems from the fact that the technology is dependent on the impression that we live in a world that is much more coherent, and much simpler, than the real world. The technology can provide quick responses, but they may not always be completely accurate. Using patterns of algorithms that are applied to a database of information regarding a user or her usage, results pulled out of these patterns can be compromised because of the dynamic usage behaviour of the user, resulting in a completely irrelevant prediction. Also, implementation of cognitive technology is an expensive affair. The interest in cognitive technology has surged over the years. Venture capital investments in companies developing and commercialising cognitive tech-related products and technology have exceeded $2bn since 2011, while technology companies have invested billions of their own. IBM has committed over $1bn to commercialising Watson, its cognitive performing platform. Google too has made major investments in cognitive technology in recent years, including acquiring eight robotics companies and a machine-learning company.[1]

A standard benchmark used by computer vision researchers has shown a fourfold improvement in image classification accuracy from 2010 to 2014.

Doomsday pundits have been asserting that computers are starting to kill jobs, will soon be smarter than people, and could threaten the



survival of humankind. This can also mean elimination of the requirement of manpower altogether. On the other hand, it could also result in newer, more sophisticated roles emerging for humans to strive for. Time, speed, and error-free advantages of the technology are its strongest traits—the output of a system integrated with cognitive technology projects is very quick and highly relevant. We could think of cognitive technology as replacing personal aides, critics, general physicians, and even major aspects of work done by lawyers.

As far as India is concerned, cognitive technology has a long way to go. Whole industries will need assistance in implementing cognitive technology into their systems, and will need workers capable of delivering such technology, maintaining it, and improving it. Consider Google's voice recognition technology: it improved from 84% in 2012 to 98% in less than two years[2]. Computer vision has progressed rapidly as well—a standard benchmark used by computer vision researchers has shown a four fold improvement in image classification accuracy from 2010 to 2014. Facebook reported in a peer-reviewed paper that its Deep Face technology can now recognise faces with 97% accuracy.[3] IBM was able to double the precision of Watson's answers in the few years leading up to its famous Jeopardy! victory in 2011. The company now reports that its technology is 2,400% 'smarter' today than on the day of that triumph. Organisations in every sector of the economy are already using cognitive technologies in diverse business functions:

• In banking, automated fraud detection systems use machine learning to identify behaviour patterns that could indicate fraudulent payment activity, speech recognition technology to automate customer service telephone interactions, and voice recognition technology to verify the identity of callers.

• In healthcare, around half of all hospitals in the US use automatic speech recognition for transcribing notes dictated by physicians. Computer vision systems automate the analysis of mammograms and other medical images. IBM's Watson uses natural language processing to read and understand a vast medical literature, hypothesis generation techniques to automate diagnosis, and machine learning to improve its accuracy.

• In life sciences, machine learning systems are being used to predict cause-and-effect relationships from biological data and the activities of compounds, helping pharmaceutical companies identify promising drugs.

Leading organisations may find innovative applications that dramatically improve their performance or create new capabilities, enhancing their competitive position.

• In media and entertainment, a number of companies are using data analytics and natural language generation technology to automatically draft articles and other narrative material about data-focused topics, such as corporate earnings or game summaries. Technology companies are using cognitive technologies such as computer vision and machine learning to enhance products, or create entirely new product categories, such as the Roomba vacuuming robot or the Nest Learning Thermostat. Cognitive technologies are likely to become pervasive in the years ahead—technological progress and commercialisation should expand the impact of such technologies on organisations over the next three to five years and beyond. A growing number of organisations will likely find compelling uses for these technologies; leading organisations may find innovative applications that dramatically improve their performance or create new capabilities, enhancing their competitive position. IT organisations are already pushing for adoption of their ventures, evaluating opportunities to pilot them, and presenting leaders in their organisations with options for creating value with them. Senior business and public sector leaders should reflect on how cognitive technologies will affect their sector in particular and their own organisations to foster innovation and improve operating performance.

About the Author: Siddarth Bharwani is Vice President, Jetking Infotrain

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Contributed by All India Management Association.

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Technical Challenge of Big Data

McKinsey & Company, a renowned global management consulting firm, is the first to mention that the era of big data has come. "Data has swept into every industry and business function and is now an important factor of production. Big data is the next frontier for innovation, competition, and productivity." said McKinsey.

Accompanying with the commencement of the era of big data, data is considered as an essential factor of production and innovative motivation. As data collection becomes more readily accessible, it enables business organizations to improve decision making and operational efficiency, achieve significant reduction cost and innovating new business products. Using big data will become a key basis of competition for existing companies, enhancing the productivity and competitiveness of enterprises.

Corporates utilize big data to predict customers' behavior, needs and future preference in the long term, in order to improve supply chain efficiency and operational efficiency. Decisions can now be made by using data-driven mathematical models. This kind of analysis is now driving every aspect of our society, from government to public, from enterprises to consumers, covering various domains such as life sciences, financial services, retail and manufacturing, etc.

Like every new technology, it will take time for big data analytics technology to reach the level of maturity and ease of use for the enterprises. The industry is still in an immature stage, experiencing an explosion of different technological solutions. Many of the technologies are far from robust or enterprise ready, often requiring significant technical skills to support the software even before analysis is attempted. At the same time, there is a clear shortage of analytical experience to take advantage of the new data.

Big data problems have several characteristics that make them technically challenging: 1) data, 2) process and 3) management.

Data challenge: it includes challenge on the 1) volume: the volume of data is exploding; 2) variety: more than 80% of today's information is unstructured and too big to manage effectively; 3) velocity: it is hard to react to the flood of information in the time required by the application; 4) data quality: the data analyzed is not all good or complete.

Process challenge: it includes 1) aligning data from different sources; 2) transforming the data into a form suitable for analysis; 3) visualizing and sharing the results.

Management challenge: it includes 1) data privacy; 2) security; 3) governance. The challenges are to ensure that data are used, transformed and derived correctly.

The usage of big data is more than a small group of people making sure that the quality of data coming into the organization is good; it's an enterprise effort where many can contribute.

Contributed by Macau Management Association.

Cybercrime isn't Just a Problem for Other People's Businesses

If you asked a room full of leaders whether they thought protecting business assets, safeguarding customer privacy and ensuring business continuity were important responsibilities of leadership, it's pretty certain they'd say 'yes'.

60% of it professionals in Australia and New Zealand expect a cyber attack to affect their organisation this year. Only 43% say they are prepared. Most say there simply aren't enough skilled Cybersecurity Professionals Available.

Ask the same group of leaders whether they have a clear cyber risk management plan many are likely to scratch their heads, and cast a hopeful look towards the IT department.

After all, there's nothing in the leadership manual about fighting off a 'zombie botnet attack'.

Cybercrime is one of the big risks businesses face today. It costs Australia an estimated 1% of GDP each year, yet it is a risk that most leaders feel unprepared to manage.

60% of IT professionals in Australia and New Zealand expect a cyber attack to affect their organisation this year. Only 43% say they are prepared for it. Most say there aren't enough skilled cybersecurity professionals available.

In April 2016, the Australian Federal Government announced a $230 million commitment to strengthen defences against cyber attacks. Individual businesses leaders still have the responsibility to review the risk to their organisations, and to act accordingly.

Gordius Mak runs cybersecurity consultancy, Arisan Partners, in Melbourne. He says that "more and more sophisticated attacks and techniques emerge daily. Any Australian business is at a great risk of having operations disrupted, customer privacy compromised and intellectual property stolen."

Mak points especially to businesses that are data-rich or dependent on data as part of their core activities: real estate businesses, professional services firms, hospital and healthcare providers, utilities and essential services.

To put cyber risk where it belongs, front of mind, Mak says companies need four things:

- An awareness of the specific assets at risk
- A strong risk culture, with risk management second nature
- Appropriate skills and control systems to manage risk
- A response plan in case of an attack.

An Australian non-profit was recently one of 20 small organisations targeted by pro Islamic State Hackers. The ABC phoned to tell Them: Receptionist: "are you joking?" the CEO: "Oh my god. I'll call the web guy now."

Small businesses are especially vulnerable

Studies show that small businesses may be the weak link in cyber defence. They are likely to underestimate the risks that cyber crime poses, with poor security and fewer resources.

A 2014 UK study of small and mid-sized businesses found 82% of owners did not see themselves as targets, even though 60% of cyber attacks that year were against small and mid-sized organisations. The same study suggested 97% of these businesses hadn't budgeted to increase their cyber security for the coming year.

The extent to which Australian small businesses are vulnerable is difficult to assess, because up until this year, companies have been able to keep cyber breaches to themselves. The likely introduction of mandatory data breach notification later in 2016 means companies will be obliged to notify government and affected customers when attacks cause harm or compromise privacy.

Protecting your business: it's not just about software

Human error is responsible for 95% of all security incidents according to Verizon's Data Breach Investigations Reports, 2013–15. And the first defence is company culture. "Vigilance to prevent malicious activities must be second nature throughout the organisation," says Mak, "not simply a compliance requirement."

It is easier to trick someone into disclosing a password, bank information or to give access to their computer than it is to hack into a system. Exploiting our natural willingness to trust, be helpful and curious is called 'social engineering'.

Preventing social engineering attacks is about knowing who and what to trust, verifying the source of enquiries or requests for help, donations or payments. It is about identifying the most common forms of social engineering (emails that contain downloads or links, requests for help, answers to questions you haven't asked, etc) and educating the team to delete suspicious communications and to regularly change passwords.

It is not about making security protocols so complex and difficult to navigate that people look for work-arounds to make their job easier to do, but threaten to compromise security.

Remember, the likelihood of a security breach depends not only on how your company prepares today, but whether you continue to evolve your networks

How can you build a strong cyber risk culture in your organisation?

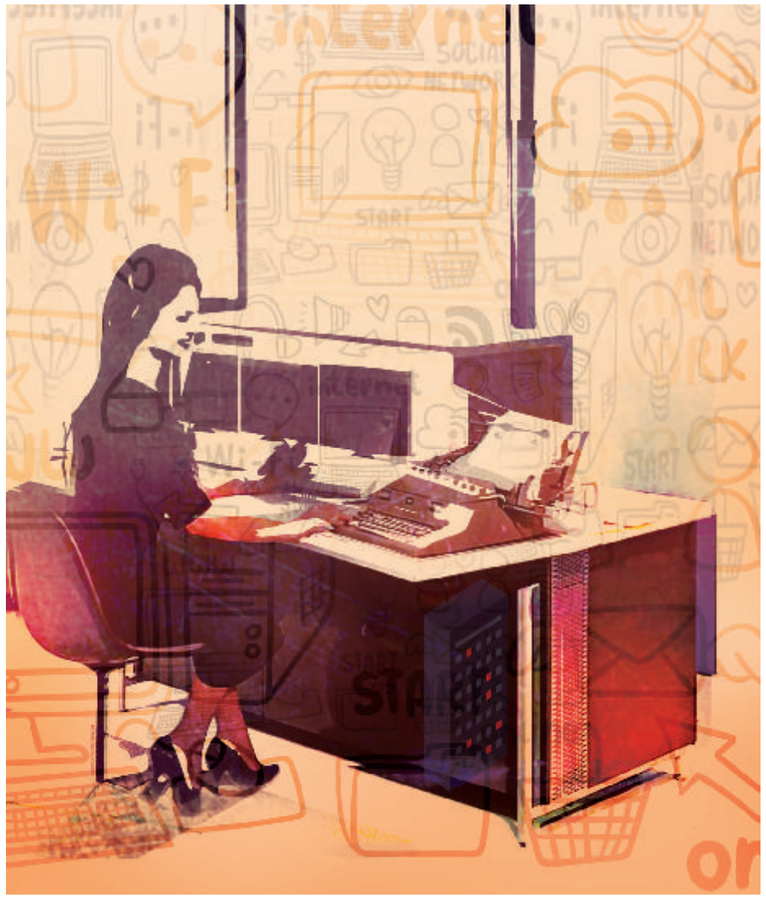
- **Educate people on cyber risk**
- **Be clear about what data or information must be protected**
- **Keep the team up to date on common social engineering attacks**
- **Have protocols on what websites maybe unsafe, downloading attachments and linking to sites that you cannot control**
- **Ask the businesses you work with to comply with your safety plan.**

Gordius Mak (AIMM) is Co-Founder and Partner of Arisan Partners.

Contributed by Australian Institute of Management.

Making Digital Work for You

"It seems despite digital often being positioned as a technology, it is by and large the combination of a right vision, effective leadership, and a supportive culture that make the difference between success and failure."



Liri Andersson, this Fluid World and Ludo Van Derheyden, Insead

For over a decade, companies have been urged to 'digitalise' or risk getting left behind. While many accept this as a reality, we argue that the precept is at best confusing and at worst unclear for those eager to act. Too often, information about the 'digital revolution' and its impact on business comes from analysts, consultancies, and the media, but little is heard from the workplace, from business managers grappling with the new realities brought about by digital on a day-to-day basis. It was to uncover their truths that we initiated a study to examine the reality of digital in today's workplace. It was our aim to understand the implication of digital technologies for companies, how it is being incorporated into organisations, what managers and their boards expect of digital, and how it is truly changing the way business is conducted. The findings, published in the report The Real Impact of Digital - As Seen From the "Virtual Coalface", were surprising and challenged our own perceptions.

'Digital' has no universal meaning today

Of the 1,160 people surveyed—managers, executives, and board members from a broad range of organisations, industries, functions, and regions—all were engaged in digital initiatives. However, the extent to which the meaning of digital differed between organisations astonished us. It was not without a challenge that we grouped their digital initiatives into twenty categories. We concluded that the number of business problems addressed by digital is both vast and varied. The most quoted reasons for engaging in digital initiatives were to improve customer engagement and increase efficiency; other initiatives touched primarily marketing, sales, and business processes. The complexity of engagement was also wide-ranging. While some companies were effectively 'defining industry 4.0', others were still focusing on 'trying to get all their staff on to e-mail'.

A grass roots approach

Companies' engagement in digital is often driven not by an over-riding digital strategy, but by a multiplicity of business needs and aspirations that are both external and internal to business. In the majority of cases, these initiatives originated at a grass roots level where digital is applied to reach specific business objectives, some not feasible until innovation in digital technologies.

The question to be asked is not "how can I digitally transform my company?", but rather"how can I achieve a competitive advantage in a digital world?"

Digital initiatives are generally launched and managed by functional areas inside a firm. While they may at times cut across different functions, digital initiatives are rarely company-wide or mandated from the top. In fact, in many cases senior management or board members did not know the initiatives were taking place.

Digital success is not primarily about technology

While over one third of respondents indicated their main digital initiative has delivered or exceeded expectations, as many as 60% stated it was too early to say. Surprisingly, among those who claimed success, few (just 12%) attributed it to the right technology. It seems despite digital often being positioned as a technology, it is by and large the combination of a right vision, effective leadership, and a supportive culture that make the difference between success and failure. Successful digital initiatives typically start by understanding how digital is changing the business environment, and then proceed by defining how the organisation, its products and services, and also its business model can leverage the opportunities brought about by digital.

Digital is a journey with no clear destination

For the majority of organisations we surveyed, digital is a journey of discovery with no clear destination.

The companies appear to be finding their own digital pathway, navigating through their individual challenges and distinct opportunities. Thus the question to be asked is not "how can I digitally transform my company?", but rather "how can I achieve a competitive advantage in a digital world and how can the technologies emerging in this world help me succeed?"

No one-size-fits-all approach

There is no 'one-size-fits-all' or right way to do digital, nor has a corporate digital solution emerged to benchmark against. This then raises the fundamental question as to whether a single form will indeed emerge around which organisations coalesce, or, at the other extreme, whether digital creates the opportunity for true customisation of a company's offering, business model, and processes, potentially to as many different digital forms as there are organisations.

Ten recommendations to guide management through the digital world

The findings formed the basis for ten recommendations for managers, executives, and board members looking to effectively manage digital within their organisation.

- Clarify what you mean by digital in the context of your company and business objectives, and challenge how the media and experts promote digital.
- Own your digital journey and gain competitive advantage by properly defining how digital technology is to be used to shape your organisation, and customise your products and services.
- Make digital everyone's business by ensuring understanding of digital throughout the company, from board members down.
- Thoroughly explore the opportunities digital offers before defining and committing to a given digital solution or strategy.

• Be wary of 'expert advice' in the digital space as it typically comes with expert bias.

• Engage the board in digital, especially in the case of digital and business model transformation, as these initiatives will have an impact on the entire organisation and are inextricably linked to the organisation's success.

• Make people, management, and culture the main drivers of digital.

• Measure the impact of digital and the role it plays in achieving your company's objectives.

• Do not feel the need to create an overriding digital strategy—you may not need one.

• Manage the spill over effects of digital initiatives on the wider organisation, some basic adjustments may necessitate widespread changes.

In conclusion

Digital technology is changing fast, constantly pushing the limits of what is possible. It will continue to do so and at an even greater speed. To compete, companies first need to understand what business in the digital age means in general, and subsequently its far-reaching implication on the organisation, the way it is managed, and finally the way it shapes and modifies a company's value creation. When considering what investments to make and capabilities to develop, managers, executives, and boards need to take into account that digital does offer rich opportunities for innovation and distinctiveness, unavailable until now. Capitalising on this however, will require exploration, understanding and insight. In sum, be wary of 'the promised golden path to digital heaven', but do not ignore the possibilities brought about by innovation in digital technologies.

About the Author:

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Ludo Van der Heyden is Chaired Professor of Corporate Governance and Professor of Technology and Operations Management, INSEAD.

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About AAMO

AAMO is a partnership of National Management Organizations (NMO) in the Asian Region whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, non-political and not-for-profit Association of NMOs, which promotes, facilitates and supports the development of professional management in the Asia Pacific Region. The current 10 members of AAMO include Australia, Hong Kong, India, Macau, Malaysia, Nepal, New Zealand, Pakistan, Philippines and Sri Lanka.

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