

TC EP.1 - Shiv - MWV

Vani 01:17

You're a great fan of talking about the enormity of digital and its implications, but let's start with just what the digital landscape is like. We'd love you to tell us in numbers or in your own ways what the digital landscape is?

Shiv Shivakumar 01:32

Yeah. So, Vani digital, everybody's been talking about it for a decade. or so You know, ever since the Arab spring of 2011, when a number of governments in the Middle East collapsed, people have been talking about it. But very few people have done anything about it. If you just look at the sheer stats today, they're just mind bottling. Today, we have 7.8 billion people globally. We have 12 billion connected devices, IOT, that will move to something like 30 billion in the next seven years by 2030. India will be the biggest phone market in the next two years in the world. The world today has 4 billion smartphones on a population of 7.8 billion. You remove the kids in the age band zero to six or zero to seven, you take about a billion, you're talking of 4 on 6.5 or 6.6, which is staggering. Okay. Next, America is the only country which is the laptop first country, no other country in the world, either in Europe or in Asia, is a laptop first country. Every other country, except America, all the other 209 countries are mobile first countries. 70% of YouTube's traffic is mobile. It's not a laptop. Internet penetration will be more than 60% by 2025. Okay. Today we have 2.5 billion people shopping on e-commerce, believe it or not, 2.5 billion people. And that number will be 5 billion by 2025 and digital advertising today is more than 50% of all advertising globally. Okay. And the whole concept of how do you work in a platform system? How do you collaborate is absolutely critical? So that is what I would say is the sheer stats of digital. And it's not that people don't know, but you have to recognize this staggering impact of these numbers.

Vani 03:23

Absolutely. I don't think anybody would've looked at the numbers in, capsule the way you've put it Shiv. Tell me what do all of these numbers mean then for organizations?

Shiv Shivakumar 03:33

I'll answer it in two, three sections, Vani, for you. The first is for about 15, 20 years, we've been mouthing for alphabets and words. VUCA Volatile, Uncertain, Complex, Ambiguous, I think that's history. If somebody, if a CEO or a CXO is talking VUCA then he is living in the past. I would say you combine when VUCA was coined, there was no digitization. Remember that. Now you combine digital on top of it. I'll use the same four alphabets and I'll tell you what companies need to be in today's world, in a digitized world. I think V stands for Versatility, they have to be versatile in physical, in digital, in omnichannel, that would be worth in this type of business models. Okay. U stands for being uncomfortable, companies need to be uncomfortable just as individuals need to be. There is no certainty in today's world, so you have to be comfortable being uncomfortable. So, you stand uncomfortable. C stands for collaboration because digital is a horizontal capability. You have to collaborate with platforms, you've to collaborate with ecosystems. You cannot get growth on your own, I've said this many times when we work together. And finally A is for Agility. Okay. You have to have speed in everything you do. So companies will need these four, which I repeat Versatile, Uncomfortable, Collaborative, and Agile. Now, if you look at the structure of an organization, the structure of an organization, as we know it, today comes from about 400 or 500 years ago, and that came from two sources. One is the army and two is the church. And both were hierarchy structures, vertical hierarchies, where information went up, decision came down. Today for the first time in any organization or any institution or in any country digital is a horizontal capability which cuts across all functions. So, what is required is immense collaboration handover from one function to the other. So silos have to be broken if you need to succeed in a digital world today. So how does simply one succeed? I think you need support from the top. The top must be committed to digital. Next is you need to break silos, as I mentioned, and three, you need to accept failure. And next, in terms of the way the companies look at their own portfolio, most times we've looked at company portfolios as products. In some cases, we've looked at it as a service. Today, companies need to think of education. If you're selling a beauty brand, you are selling a health brand, you are selling an apparel brand, you need to educate people. You need to educate people what you need to do. Okay. Time is a huge monetization vehicle in a digital world. Time was not a monetization vehicle in the past. Location will become the next monetization vehicle for all brands. This combination is what I would call consumer experience, the totality of consumer experience. I think that's what is going to matter for all companies.

Vani 06:29

Wow. And Shiv, what other implications or what are the fallouts would all of this digitization have for organization?

Shiv Shivakumar 06:36

I think there are many other forces which are coming along this digitization path, Vani. One is sustainability. I think sustainability will be a big theme this decade and digitization will actually help it. The reason being digitization or digital media will show where companies are fine, where companies are lacking. Okay. That's I think irreversible. Second, I think all governments will bring in some form [00:07:00] of what I call reform or censorship or privacy or whatever it is, because I think this is just going too far, shaming other people and saying this or that, et cetera. I think you'll need something different in terms of curtailing this kind of harmful comments or commentary or whatever you want to call it. So I think the world will be a very different place. Okay. If the government doesn't intervene or the big companies themselves, don't censor it. One last point I'd make on this section is that employees will want every company to be digitally or technically or technologically savvy. Employees do not join companies which are not fully digitized or do not have networks as part of their credo. They'll say, look, this is an old age company. I do not want to join. So I think you have to be a tech first, a digital first company, even if you want to attract talent. That's what I would say.

Vani 07:55 That's true and truly digitized organization is more than just having a, in fact, they're very, very different. Most companies believe if I have a digital team, a team that's managing my digital for brands is good enough. But digitization to be able to use data for across the organization, across all verticals, to be able to make, to be able to create value for the organization and for the consumer is a different ball game altogether, which I think most companies are not even touching the surface.

Shiv Shivakumar 08:26 Absolutely. As I mentioned to you, and you make a valid point, digitization is a horizontal capability. It is just not, it cannot be left to just a digital team. Every person in the chain needs to be digitally savvy. Next, most organizations think they're digital because they have a website. That is not correct. Most organizations think that they're digital just because they have some social handles. All of this is wrong. True digitization is end to end. Do you have end to end visibility from the source of your raw material to the order that you take and is that whole process linked? That is true digitization.

Vani 09:07 Fabulous. Fabulous.