

Whatever can be digitized
will be digitized



Arindam Dutta

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Caerus3 Advisors

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The Finance processes are being made straight through. This is getting done by taking out defects and wastes from the processes and complementary technology changes. Old practice but getting much more agile. It is then digitized wherever possible, and the processes then operated by software robots. Even these robots, popularly termed as bots are being made intelligent through machine learning, an application of artificial intelligence.

Then a digitized audit process is being put in place driven by blockchain technology. It is real-time, reliable and accurate.

High skilled business analytics resources sitting on top of business intelligence data warehouses not just analysing what happened and why it happened but predicting what can happen and prescribing what can be done.

The regulatory environment is becoming more demanding. Digitization is becoming a basic table stake to produce a repeatable, predictable, cheaper and transparent process.

Much of the human cacophony has turned digital. Most of the business to consumer interactions are on digital text, whether one to one or through social media. This is rendering thousands of customer service jobs on inbound and outbound calls as redundant. But this is creating a contact centre demand which is complex and based on converting this data into customer insights. This unstructured data is coming from different sources, in different formats at high speed and in large volumes

Information is the new currency of IT. Previously technology was the key.

All this is possible due to the tremendous digitization that has happened in the back end computing infrastructure. The IT infrastructure process has made a fundamental shift in its operating model since its move to the cloud which is nothing but adding efficiency of a much higher order. The applications sitting on top of this IT infrastructure are also rapidly becoming an enabler to end to end digitization.

These were examples from my 2 decades in finance, analytics and IT in different industries.

It is the same script unfolding everywhere. The physical robot, 3D printing is digitizing the manufacturing setups. Petrol pumps or gas stations are slated to vanish in few years. The neighbourhood motor mechanic slated to be replaced by high skilled mechanics as cars poised to go down from 20,000 individual parts to just 20 digitized ones.

We are looking at a world where not just people can communicate with each other on a digital highway, but even machines can communicate with each other.

A refrigerator speaks to a car and their common owner knows that his beers at home are nearly out of stock. Internet of things, augmented reality, and virtual reality on the back of 5G network will change how we live our personal lives, how we as consumers interact with brands and how city administration operates for its citizens. The information database in this world is doubling up every few hours backed by the incredible improvement of our storage capacity.

Excerpts from a McKinsey report:

“Relative to other archetypes, global innovations value chains employ a small workforce to make high-value products. They employ only 4 % of the world’s workforce (131 million people), which collectively produces 13% of global output and 35% of global exports.”

Big jobs are becoming bigger, small jobs are becoming smaller, rather vanishing. Some accounts say 50% of occupations today will not exist in 2025, 85% of jobs that will exist in 2030 haven’t been invented yet.

Let’s make no mistake. Technology will make our life beautiful, safer, allow us to find time to pursue our passion, and importantly create a social system based on logic.

This should enable the human race to converge science with spiritualism. A vast majority of people are searching for that elusive spiritual living in different ways. It got further and further away from most of us as we got overtaken by rituals and exploited by organized religions, the roots of which can be traced back to fear and greed. The logic went out progressively, the violence set in gradually.

The digitized life will be a beautiful life in many different ways.

Possible solutions to unemployment-At a city/country level-

-An agile framework to get to new age jobs like cybersecurity.

-Physical infrastructure build-up which has multiplier benefits.

-Livelihood options will go up even as permanent employment comes down. Support it. Like an e-commerce delivery job in the day, then drives an app cab in the evening. Doubles up as a guide in the tourist season.

- Create the capability to digitize complex global processes and systems-huge opportunity and limited skillset available.
- Invest in Research- As an example, building the next antibiotic creates a vast market for a long time.
- Create a strong startup ecosystem- A big employment generator. Technology will always be ahead of the regulators. The regulators have to ensure that innovation isn't stifled while balancing the safeguards for consumers.
- Build a very competitive manufacturing ecosystem- Create export competitiveness to cater to the world rather than import restrictions for a smaller captive domestic market.
- Create a skills development programme-Too many job vacancies lacking the right talents.
- Rule of law which is fast, equitable, reliable and consistent.
Even then there will be unemployment creating huge anxiety.

Possible solutions to offset the anxiety levels

- Build social infrastructures- a reliable, efficient and quality social net on education and healthcare for all without exception. Funding from exiting loss-making businesses
- A digitized universal income, just good enough to live with dignity and yet incentivised to go to work. But targeted to all and direct. Stops leakages, moving targets. Eliminating all public subsidies except for health and education can mostly fund this.

The solution for unemployment at a global level

Just one. A road map which is without force yet heavily incentivised to reduce the population. As fertility rates are extremely diverse, focus likewise

If about just a billion will have meaningful jobs we are looking at an unimaginable social alienation of the rest 7-8 billion. We need to start now.

Are the policymakers listening?

- Arindam Dutta

A word about

the Author

Arindam Dutta is ex Global head, Finance Operations, CFO Poland lead, Credit Suisse. He is ex Global head, BPS Analytics, Asia Pac BPS Hewlett Packard. He has 20+ years in GBS/BPS/ Banking- driving change and transformation. Worked in multiple locations/countries, led senior level and large scale teams across multiple countries and worked with internal and external CXO level stakeholders.

"Award for Excellence & Leadership in Outsourcing" from World HRD Congress (2013), Selected as Asia G6 Visionary by client community votes & panel speaker in SSON week in Singapore (2013 2012)& India I6 in 2013, Selected by buyer community as a sourcing superstar in SSON (2013)

Interviewed & quoted in multiple publications like Information week, Computer World, Dataquest, Global Services (2013, 2012), ,Invited in the speaking panel in NASSCOM, New Delhi (2013), keynote speaker in Dataquest summit, Gurgaon (2013),speaker and presenter in Deloitte Annual Shared Service conference , France (2012) , Joint interview with one of my client by the CFO Magazine on the Analytics success story (2012) Published multiple papers - "Making sense of big data in Finance & Accounting", "Wealth of data and shortage of resources", "From reporting the past to predicting the future: Analytics in Finance &Accounting", "Business Insights to & Risk Analytics", "3As of Business Growth" (2014, 2013, 2012), " The lost pride - A tale of our cities" in the special edition of Consultant review magazine (2018)Multiple blogs in Times Of India (2018 onwards

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info@caerus3advisors.com

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