

# NAVIGATING THROUGH THE NOISE OF DIGITAL TRANSFORMATION

By Markus Walter, PwC South East Asia Consulting

The following article based on Markus Walter's presentation at APLA Conference in Chengdu, China

Let's face it – “Digital” is here and we must adapt and become more comfortable with it – whether we like it or not – and this is true for the gaming and lottery business as well. In this article I will share some views on the concept of “Digital”, and how to approach the new challenges and turn them in to opportunities in a disruptive, ever-changing world.

understanding of customers need is essential to move to customer-centricity

- Robotics, also known as Robotic Process Automation (RPA) may be applied in back office environments, as well as customer facing. Why not consider to deliver lottery wins to winners via drones?
- Think of cloud technology as “the

approach to embed security in every digital step you take

- And there is BlockChain. You may associate the Distributed Ledger concept with BitCoin, which has received quite a bad reputation. BlockChain is the supporting technology, which, I would even say, for the first time in human history, enables distributed trust in almost every area. We may think of no more faked lottery tickets, as the supply chain and distribution is fully transparent. This technology is only at its beginning and we are slowly starting to understand the power and potential of appliance of the technology. I suggest to have a close look and put it on your radar – before others do.

## Digital Disruption Already Happened Some Years Ago

Well, Digital Disruption is not really “new” – it took place some years ago in the music industry. Remember vinyl records? These were good old analog technique, enabled by the record player with its physical pick-up



arm and loudspeakers, connected with real copper cables.

Then the compact cassette entered the scene, and after that we moved into the compact disc era. We then moved away from physical media into downloads and streaming. If you have purchased music media from your favorite artist, you have definitely been a part of “digital” evolution in some special way... But the transition from analog to digital happened from vinyl to compact cassette. And make a guess, today, which media has got the highest rate of expansion after music



## Defining “Digital”

In our daily consultancy life, we come across a variety of, more or less sophisticated definitions of “Digital”. Some are quite confusing, others not on point. Most workable, and explainable (to us), is to phrase Digital as “Considering to bring new technologies and ways of working into your business”.

“Digital” does not refer to one single domain - it consists of multiple components, which, in a mix, combine to make it truly “digital”. The recommendation is to consider a mix of all these components when introducing digital into your business. There is no more option to focus on one single aspects only – “Digital” requires a holistic approach, as the components are intensively interlocked:

- Analytics and Big Data can identify behavior patterns of your existing and target customers. Gaining a better

illusion of infinite scalability”. Economies of scale are massive. Microsoft’s cloud service Azure is running about 4mio servers worldwide. How many servers do you operate in your organization?

- Establishing business partnerships is key to sustainable business development in the digital age. Terms like “Shared Economy” and global “Eco Systems” demonstrate the necessity to collaborate across industries. One as a “single” entity will hardly struggle to survive, those orchestrating the digital ingredients in a perfect balance will succeed. From a gaming and lottery perspective, think out of the box – look for “unexpected” partnerships and “surprise” your customers in new ways

- Security turns into a hygiene factor. Especially in an intensively regulated and publically exposed market like the gaming and lottery business, ensuring CyberSecurity is key. Take an integrative

streaming services? Correct, vinyl. And lottery scratch tickets are still very popular in my home country Austria .

## How To Make It Happen? Changing To Agile Project Management Goes Beyond Methods

The good news first: There are models and methods available to support the transition

into a digital scenario. Think of Agile Development. This method provides a radically different approach on how to run and perform fast-tracked

projects, meeting business requirements and

into the next sprint. So the responsibility sits with the team – or, if you will, with all of us. There is no longer a single individual held accountable.

An Agile approach often means a dramatic change in the mindset and DNA of traditional corporations and staff. And there is no exception for the gaming and lottery industry. This shift is essential to welcome and imbued “Digital” in your company culture.

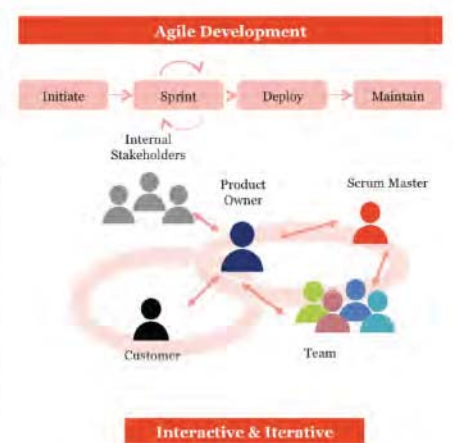
## Starting With The Man In The Mirror

There are plenty of external factors to be taken into consideration as you embark on the digital journey. But also keep in mind that we have to make a change. Management principles have to be reconsidered and

## Demystifying Digital Transformation And Beyond

When considering the major trends in IT over the last decades, this could even be described as a “battle of terminology”. The constant introduction and promotion of new concepts and technologies can be more difficult to keep up with than the technology itself – conferences are more attractive promoted with buzz-words, books sell better with new titles. To simplify things, all of these trends may be simply described as “Technology Innovation”, and it is constantly ongoing.

My plea: do not get distracted by terms and buzz-words. Instead, develop an understanding on the trends that will impact your business and adjust your strategy accordingly. This is specifically true for Digital Ledger/BlockChain technology, which I believe will dramatically change the way we look the distribution of trust. Not only in financial services (note: please do not mix up



reducing the time-to-market of products.

But here is the somewhat “bad” news (or better – “challenging” – news): Who has responsibility in a traditional waterfall project management approach? Who is the one responsible for deviations on timeline, scope and budget? Perfectly right – the Project Manager.

Conversely, who is responsible for successful delivery in an agile environment? Unfortunately, it’s not the ScrumMaster.

He is not the “new” project manager. He is in charge of preparing the stage for project execution and takes care of adhering to the agile principles. It’s the team deciding which features from the back-log are implemented

adjusted, needs and demands of subsequent generation have to be addressed. The successful digital leader will provide new capabilities. The hunt for talent is on.

And also be open for new business relationships. Make up your mind, set your digital path for digital, do not get distracted by digital disruption and collaborate and always watch out for innovative business partners – specifically cross-industry.

Start reinventing and immersing yourself – and you will master and enjoy the digital journey! ■

*Markus Walter is a Senior Director at PwC South East Asia Consulting, leading the Digital CIO Advisory Services in South East Asia. He acts as “Digital Governance” evangelist, supporting and assisting clients across industries to turn digital challenges into digital opportunities. You may contact him and share your perspectives on digital at [markus.walter@sg.pwc.com](mailto:markus.walter@sg.pwc.com)*



BitCoin with BlockChain – also see above), but most and foremost in supply chain - tons of things will change.