

DIGITAL TRANSFORMATION

MYTHS, REALITY & RELEVANCE



SMEs should adapt appropriately to survive digital disruption

BY VANESSA GOMES

Companies have to learn to start dealing with digital disruption because it will affect them regardless of their size, Digi Telecommunications Sdn Bhd chief business officer Eugene Teh told the audience at the recent *The Edge-Digi* forum on Digital Transformation: Myths, Reality and Relevance.

In his session, "Digital Transformation: Getting it Right", he pointed out that there are about 920,000 small and medium enterprises (SMEs) in the country contributing to about 40% of the economy. "SMEs will be the main driving force for the local economy going forward. And what is even more important is that these SMEs provide employment for 65% of the working population in Malaysia," he added.

Teh cited Digi as an example of how companies are adapting their business based on global insights into mobile phone usage. For instance, according to several studies, mobile-phone users touch their devices 2,617 times a day and spend an average of 150 minutes on their phones.

"We used to hear talk about laptop and internet penetration, but we do not hear about these anymore because it appears as if the smartphone has taken over. In fact, 93% of all Malaysians access the in-

ternet through their smartphones. That means for Digi, we need to start thinking mobile first," said Teh.

Digi's business at physical locations such as stores, shopping mall counters and contact centres have also seen a revision. "Whether it is with a customer on the sales website or one who needs to pay or a customer complaining to customer service, it has to be mobile first. An example is the MyDigi app, which currently has three million active users a month," said Teh.

"The app was initially used to check their data quota or to pay bills. But now, we are also using it to manage complaints."

As for its 10,000 partners, who represent the company and sell plans nationwide, Digi has moved them fully to the Mobile Sales App. "Whether it is on a mobile phone or tablet, they can sell a prepaid line in 20 seconds. For post-paid, it is in two minutes," said Teh.

"They do not need to be in-store anymore. The salespeople can go out there and do what they need to with just a mobile phone or tablet. This has changed the game altogether in terms of how we think about servicing a customer and selling a product."

Another thing companies need to think about is providing a payment channel oth-

er than cash, he added. According to some studies, 67% of Malaysians use some form of cashless payment. Meanwhile, Bank Negara Malaysia said mobile transactions doubled in value between 2017 and 2018.

"I was at a mall last week and most of the places I wanted to eat at did not accept credit cards but took some form of e-wallet payment. Cash is no longer king. People will continue to spend money, but more and more will use e-wallets," said Teh.

Digital or cashless payment methods also allow companies to start collecting intelligence on their customers, he said. For example, these can help companies pick up on trends or product demand to spur more sales.

Digitalisation can help companies manage their employees, whether in terms of claims or knowing where they are while on the job. Teh pointed out that alTHR — an all-in-one digital human resources solution — was developed in-house at Digi to help expense and receipt management as well as the claims process.

Another product developed by Digi, called iFleet, allows companies to track fleets on a real-time basis. "We found that once the system had been put in, riders became more aware of their driving because they knew people were monitoring it," he said.

Creating a space for digital growth

WORQ, a homegrown co-working space, prides itself on creating a nurturing environment for companies to grow. Co-founder and CEO Stephanie Ping, who spoke briefly during Eugene Teh's presentation, says that while 20% of its business is to provide a working space for companies, the remaining 80% is focused on building a symbiotic culture among its members.

"We use a lot of digital tools to help companies connect. A lot of the time, people are not very helpful when doing business. But when they enter here, people get to know each other and are willing to help. Some even take it to the next level by collaborating on business ventures," she says.

Ping points out that not all the businesses at WORQ are start-ups looking to digitalise. For example, at its Subang branch, there are traditional businesses such as manufacturing and logistics companies.

"In fact, these companies need to digitalise more than anyone else and they need the most help. So, the people come together and help each other because a lot of things are still done on paper," she says.

"So, what happens is that the community becomes even stronger, making sure that they help each other to survive and thrive. We see small companies doing well using digital solutions."

Digi's Omni Virtual Business Phone System has helped a lot of businesses at WORQ, says Ping. Omni can turn any smartphone into a call centre, controlled by an app and a web dashboard. For example, a company can assign a phone number to their company. But on the back-end, the call can be rerouted to the mobile phones of assigned individuals. This means there is no need for a permanent receptionist.

"Omni is something a lot of customers ask for because companies come in asking for a secretary and we cannot assign a secretary to every person. We suggest Omni and they are happy with it," says Ping.

