Mission Critical: e-Change Management!

e-Finance Conference Morocco, March 2002

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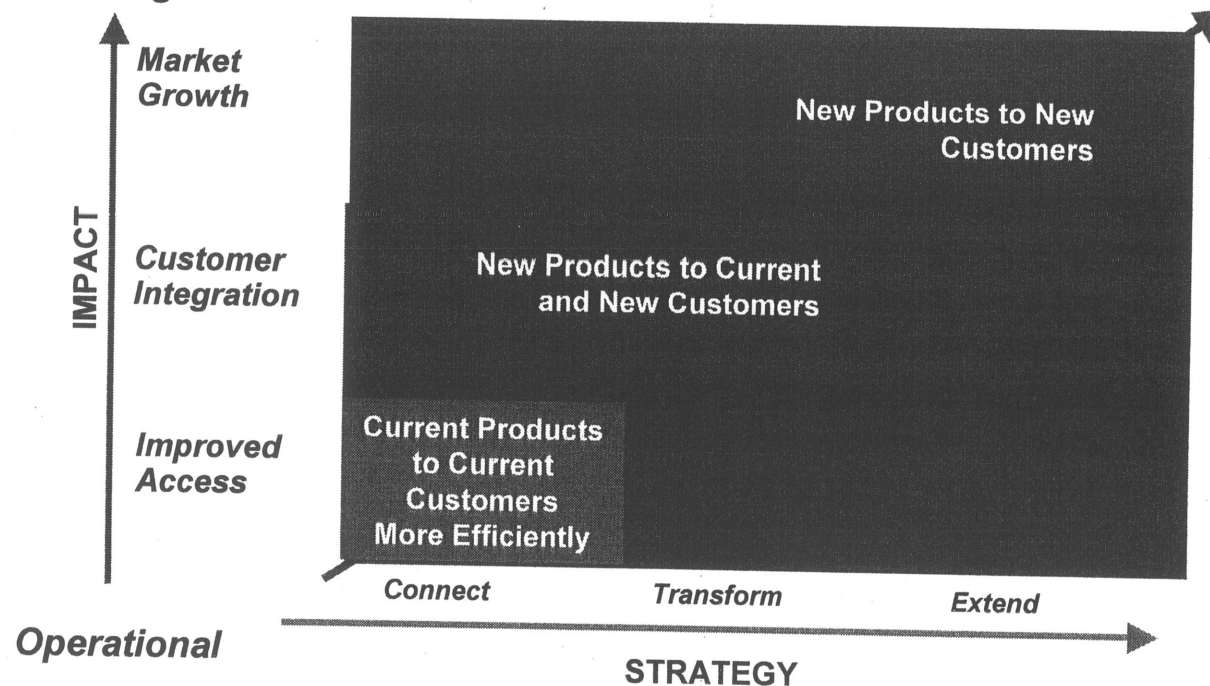- Lessons
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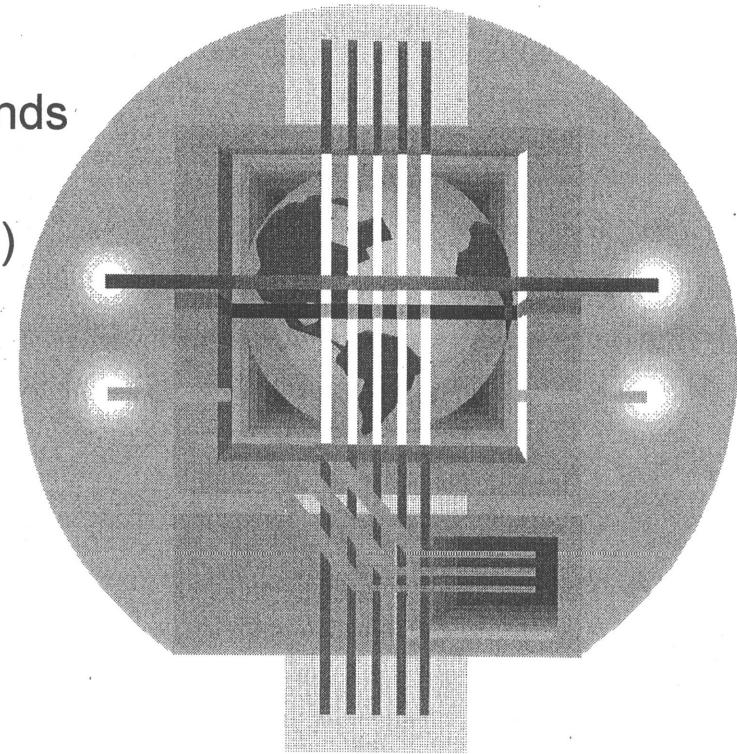
e-Biz Solutions Strategy

To be the local leading e-Business enabler, we will connect our customers to our web enabled services, transform our capabilities into new internet offerings and extend our reach through new offerings

e-Business Strategic Model

Strategic

IMPACT

Market Growth	New Products to New Customers
Customer Integration	New Products to Current and New Customers
Improved Access	Current Products to Current Customers More Efficiently

Connect   Transform   Extend

Operational

STRATEGY

3

e-Biz Solutions Functions

Strategic thinking

- Electronic SAMBA Business Solutions is one of the *co-strategic business / product development* arms of SAMBA
- *Assist our internal organization in thinking about "e" via training and research.*

Facilitation

- *Is dedicated towards collaborating with government entities*
and local banks to push e-agenda's.
- *Actively pursue new partnerships & alliances locally and globally.*

Implementation

- *Funds and develops key e-business initiatives*

- *Create new financial products and services within the regional e-arena.*
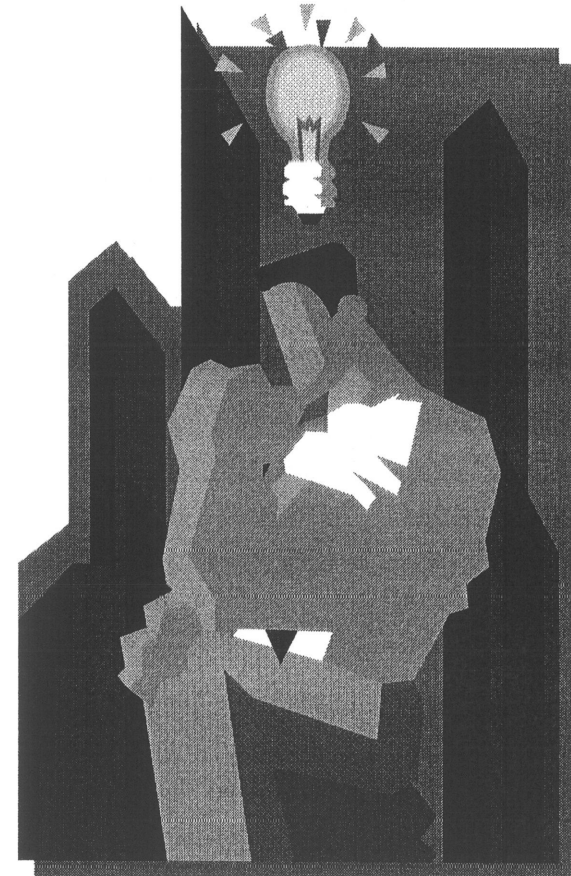
Current Status of IT

- Big companies are merging
- Mobile telephones have more penetration
- Stocks are declining
- Dot-Coms are *"de-hyping"*
- VC Firms are reasoning
- # of internet users is growing
- Consulting firms are still *"consulting!"*
- Applications' development / maintenance and implementation are more resource demanding
- Narrowing the digital divide is an issue being looked @
- Awareness is below maturity

Gartner Top 10 Predictions

1. Facing job losses and vendor consolidation
2. Safeguarding people, knowledge, systems and nations will take priority
3. Consumers will go online, finally!
4. Squeeze in IS orgs as IT demand increases
5. Outsourcing and trusted suppliers will take more contorl
6. CRM a critical component of corporate strategy
7. IT infrastructure needs to fulfill critical IT initiatives
8. Over 50% of m-apps deployed in 2002 will be obsolete by the end of 2002
9. By 2004, Web services will be dominant
10. Leading-edge businesses will exploit application integration to generate business innovation
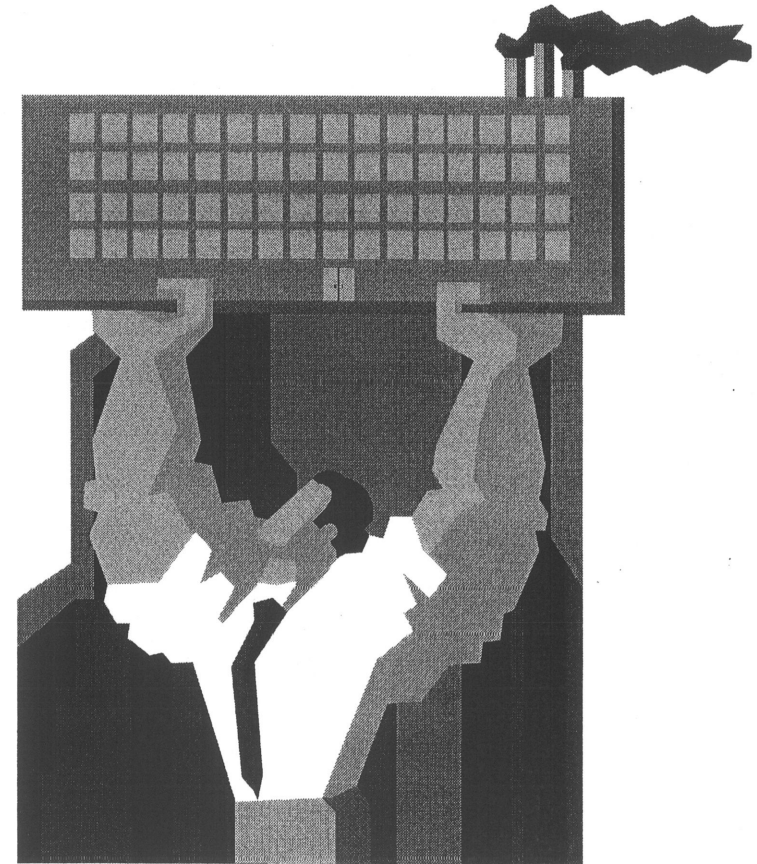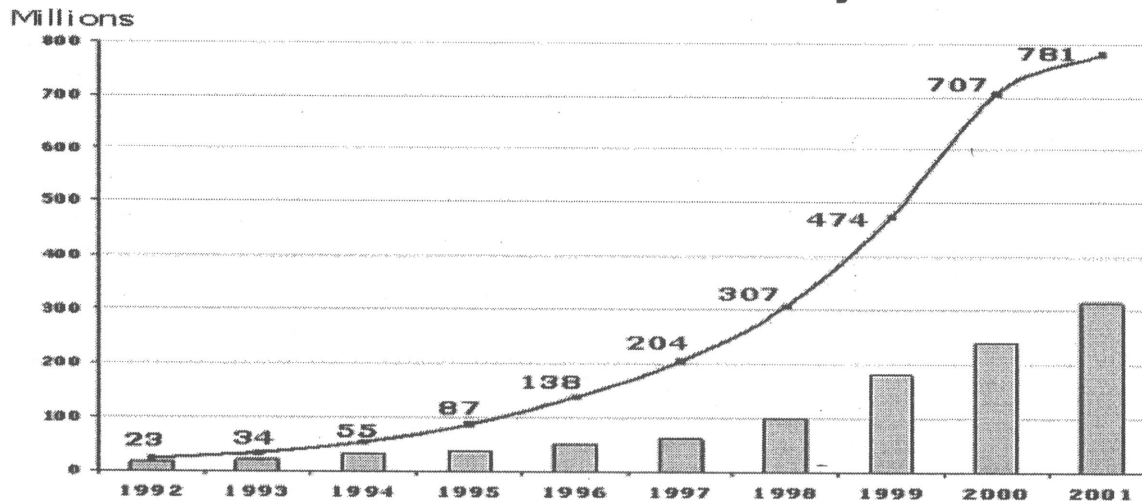
Deliot Top 10 Global Banking & Security Trends

1. Run distributed in a chaotic world
2. The fat has been trimmed - now comes the exercise
3. Make the jump to extended enterprise through strategic outsourcing and partnerships
4. Buy insurance to weather the credit storm
5. Sure, serve the rich, but smartly and cheaply
6. CRM now? CRM now! Buying the tools doesn't build the house
7. Does the customer really care who you are? Only if you do
8. Extend the "e" - Online financial services
9. Ignore the forgotten franchise of electronic payments at your peril
10. It's NOT T+1! It's STP!!!! - Straight-Through-Processing
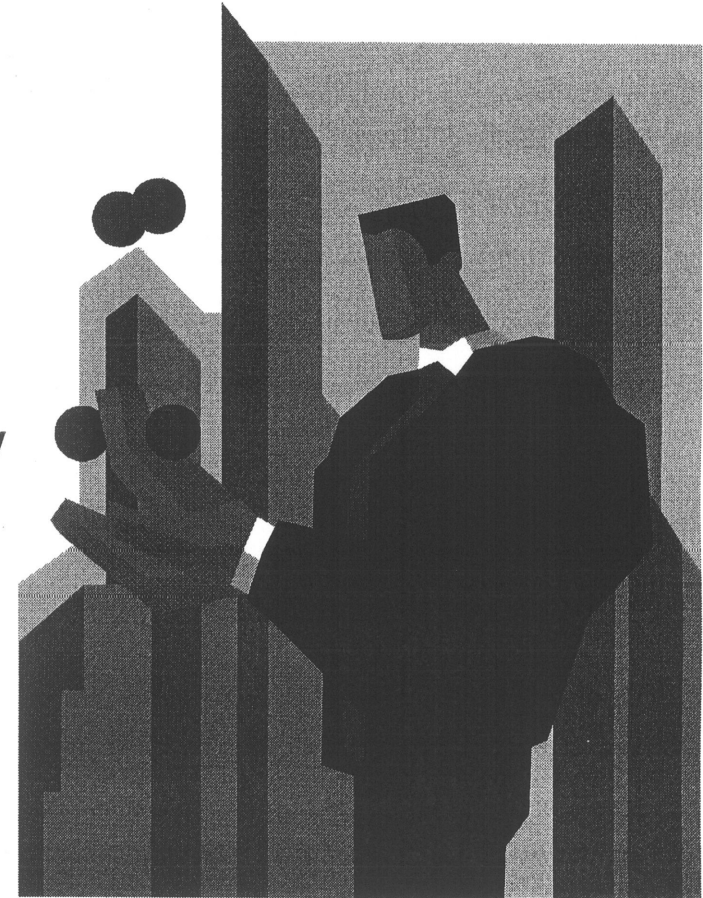
Statistics

- 2001: 590 million GSM customers globally – Sep 2001 (2.4% only in Arab States) by GSMWorld.com
- 1 billion – 2002   - Predictions by Nokia

Millions

									781
								707	
							474		
						307			
					204				
				138					
23	34	55	87						
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001

- By 2003, Wireless Internet will surpass Wired Internet
- By 2003, European m-Commerce - $23 billion (Including Financial services, Shopping & Advertising)   - Durlacher Research
- By 2005, m-Commerce - $210 billion (Goods & Services)
                       - Ovum Ltd.
- Banking Could be the most natural entity to utilize mobile internet.

Statistics~~ Continued

Mobile Telephone Subscribers in Selected Middle Eastern Countries, 2000–2004 (in Thousands)
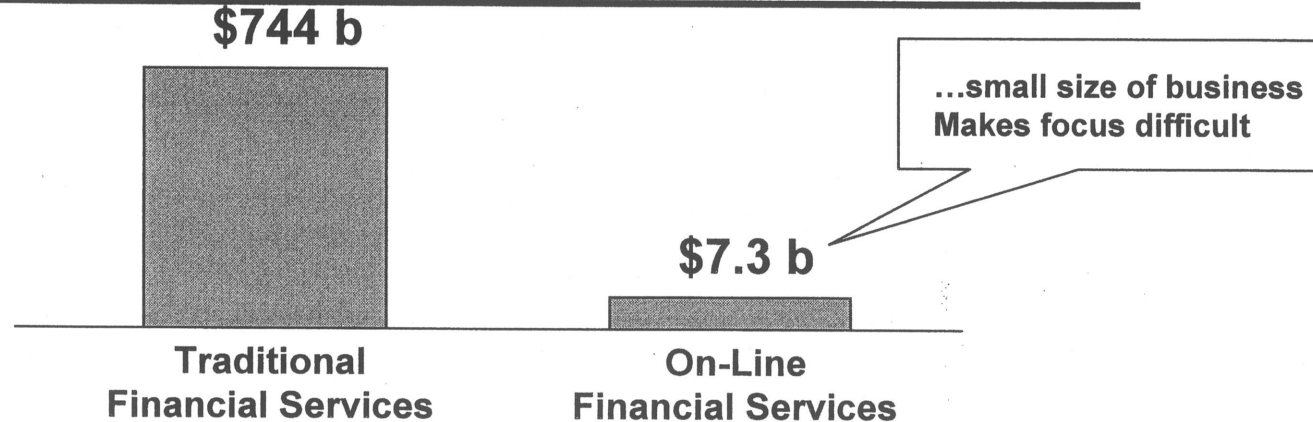
	2000	2001	2002	2003	2004
United Arab Emirates	878.5	970.7	1,050.1	1,132.0	1,213.7
Egypt	1,230.0	1,755.0	2,255.0	2,755.0	3,255.0
Jordan	194.0	266.8	336.3	406.4	476.4
Morocco	309.2	449.2	590.9	735.6	875.3
Saudi Arabia	1,189.2	1,512.2	1,851.7	2,207.6	2,572.4

Source: ITU Telecomm

US Financial Services (Traditional vs. Online)

## Size of Financial Services Market 1999

$744 b

$7.3 b

> ...small size of business Makes focus difficult

Traditional
Financial Services

On-Line
Financial Services

Annual Revenue Growth Rate, 1999-2003

82%

> While on-line business Growth rate is impressive...

9%

Traditional
Financial Services

On-Line
Financial Services

**Source: Advisory Board
Research** 10
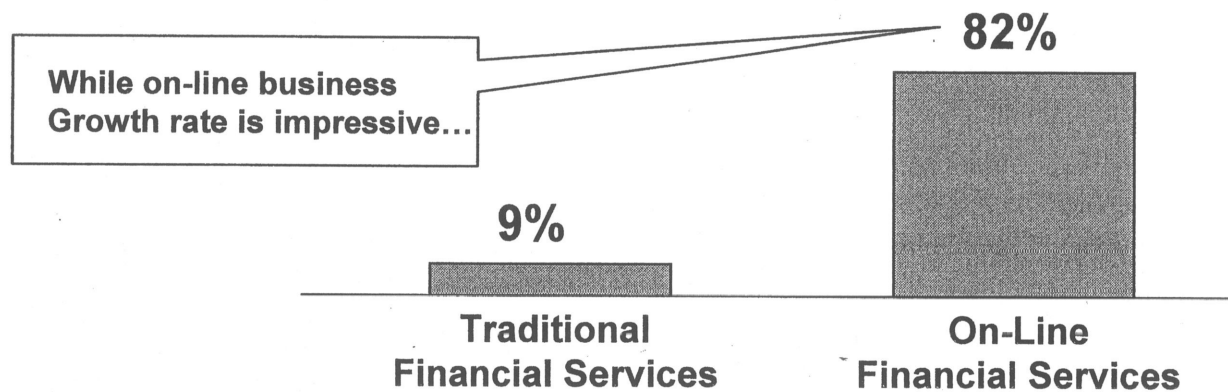
Fast-ER Tech & Slow-ER Adoption

- CRM / e-CRM
- B2B (e-Procurement)
- ERP
- Content Digitization
- M-Commerce
- Portal

The level of support for all these IT products / projects are extremely low in the Middle East (ME) Region. Today they are only out of the box like solutions with vague localization.
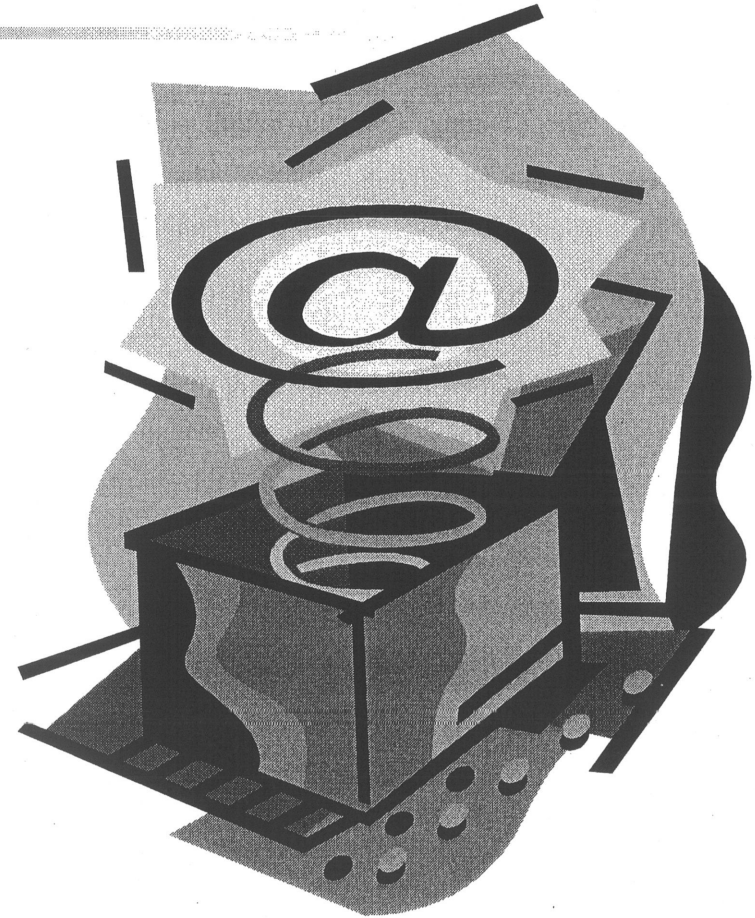
Why ER?

ER:
TOO many changes are around to send everyone to the **E**-mergency **R**oom! From both sides, i.e. Source & Destination

- ## Source (Vendors):
  - They do not consider after sales support factor when designing a solutions for the clients in the Middle East.
  - Their strategy becomes to sell solutions only! (Not GOOD Enough!!!)

Why we end up in ER? Continue ...

- ## Destination (Corporations):
  - ### Internal Users:
    - Business Processes
    - Top-down support
    - End User involvement
  - ### External Customers:
    - Infrastructures (legal, security and Comms)
    - Cultural Barriers
    - Low internet penetration
  - ### Both:
    - e-Awareness across the markets, organizations suppliers etc.
    - Vagueness of ROI

Steps for Change (Operational Base)

1. Choose Visionary Leadership
2. Gather Business Requirements
3. Plan: Define the purpose and scope
4. Design, Minimize Impact
5. Automate the process as much as possible
6. Develop policies, guidelines and procedures
7. Manage expectations by communicating and promoting
8. Implement / Test / Modify
9. Operate, Track, and Measure

Source: Gartner 14

Change Elements (Enterprise Base)

1. The imperative is the case of change

2. Leaders instigate and sustain change

3. Levers are the tools that change leaders employ to encourage desired behavior

4. Affected agents are the individuals and groups affected by change

5. Buoys are stabilizers


Source: Gartner 15

The CISCO Story: Internet Culture

- The real understanding is that it's technology, business process, and CULTURE.

- For the e-Business to go forward, its corporate culture must be properly channeled.

- Characteristics of I-Culture are:
    - Strong visible leadership
    - Customer-centric to create relevant customer experiences
    - Working environment that is expansive
    - Real-time and responsive networks
    - Enable risk-taking and disciplined execution

- The first mistake is to think that it's about technology only.

- The second mistake is to assume that it's technology and business process only.

Source: Ariba Magazine 16

The CISCO Story ~~ Continued
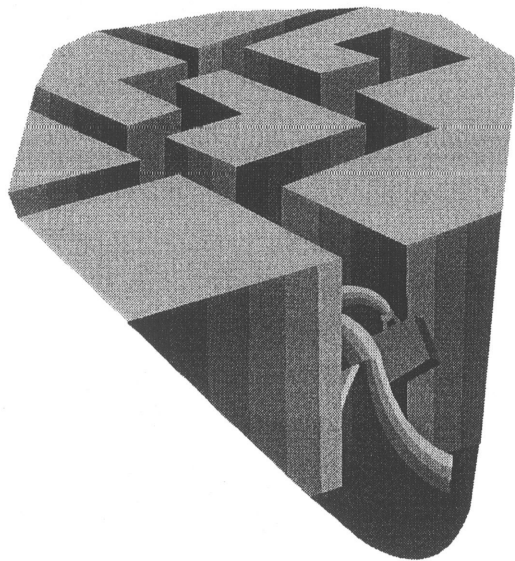
- Culture is not automatic. You must communicate it, you have to train for it, and you have to experience it.
- Be mindful of employees bringing past working experiences that could watered down your I-Culture.
- Put authority and accountability at the same layer.
- It's about knowledge pushed to employees to be empowering.
- Cultural transformation is a building block of an Internet corporation.
- Start by assessing the existing culture against the I-culture attributes and employee viewpoints.

Source: Ariba Magazine 17

The Dell Story

- First and foremost, companies must embrace and integrate the Internet into their business.

- Remember, the Internet is not a business model. A website is not the answer.

- Only when you implement all the business processes and the integration of those using the Internet, then you can possibly begin to see the benefits.

- The risks of changing the business processes to accommodate the Internet are unquestionably worth taking. You have to have flexible thinking.

- The Internet is not a sales channel, it's another form of communication.

- You've got to do the best you can to identify the opportunities and EXECUTE on them.

Source: Ariba Magazine 18
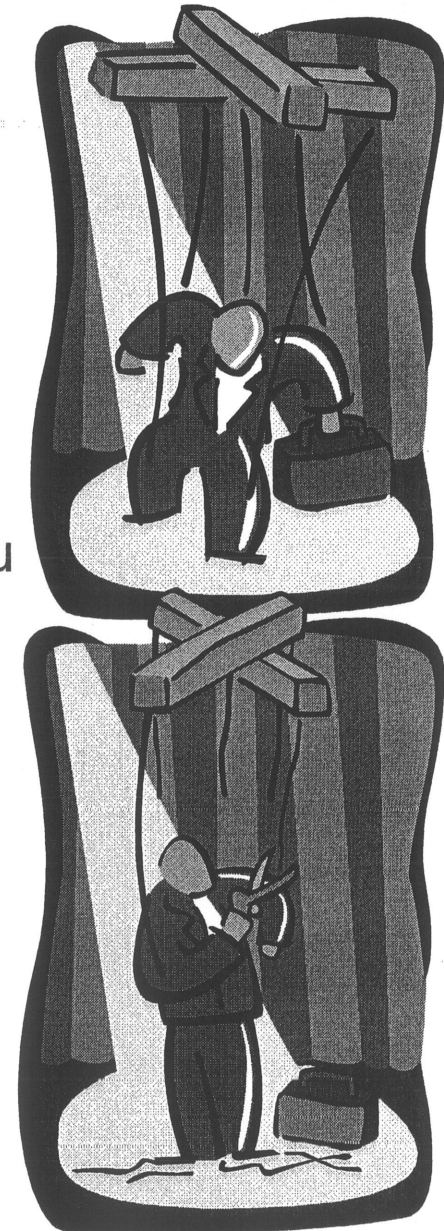
The B2B Story: Success criteria are changing

Before: Market Entry Requirements

- Market size
- Domain expertise
- First mover advantage
- Revenue model
- Stickiness & community
- Technology & scalability
- Platform credibility

Now: Leadership Requirements

- Liquidity
- Neutrality and collaborative capabilities
- Full service and system integration capabilities
- Strategic partners with specialized areas of expertise
- Value added services
- Clear path to cash flow and profitability

Land Grabbing → Consolidation within Verticals → e-Marketplace Collaboration

SCALE INSURES LIQUIDITY BUT FULL SERVICE CAPABILITIES WILL BE VITAL TO A VERTICAL LEADER

Web Challenges in Big Organizations: Actual Case

- **Documentation:**
  Information sharing and polices workflow need to be in sync. Traditional documentation process and a web one can't co-exist.

- **Empowerment** :
  If people are assigned for web tasks without empowerment the speed of the web never materializes.

- **Compliance/Standards** :
  If the organization has standards and policies for the web, they should follow and update them to what the market demands.

- **Content** :
  On the web content is king! In the ME region we are very low on content. Need more content authors within any organization.
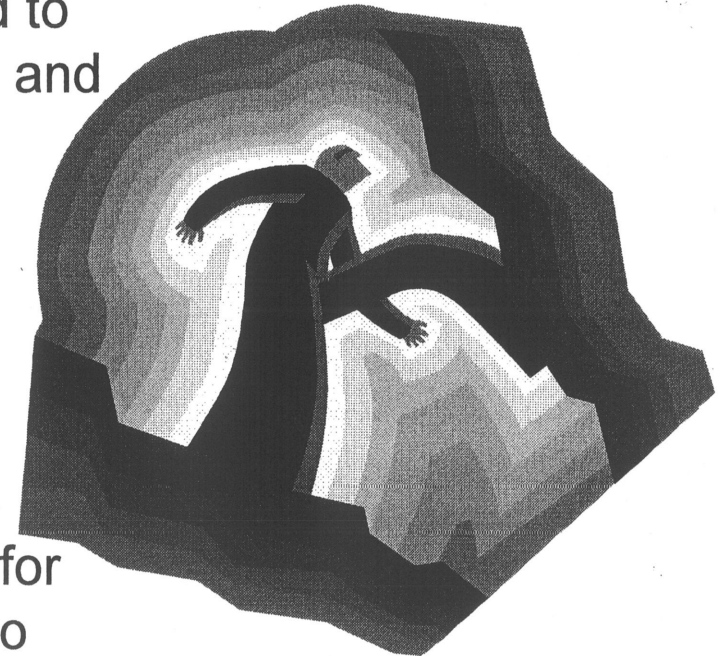
Lessons Learnt

- What are the Business objectives? Is it cost saving, revenue generation and/or customer retention ?

- What are the key success factors?

- Do we need alliances with vendors to be successful in the new medium?

- What is already in place? (skills, processes, technology and assets) Can we capitalize on existing resources?

- How does our organization stack up in contrast to the industry?

- e-Products / Services are complimentary to the conventional ones

- Going live is not the end goal. It is just a milestone.

- No two deployments will be exactly alike.

- STP is a must for any e-initiative.
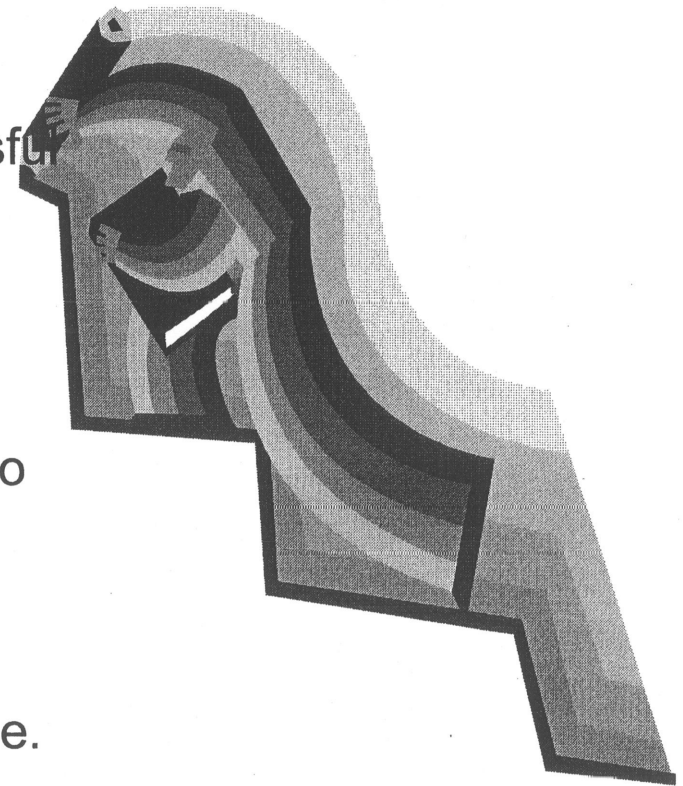
Future Change:

Within the Next Five years >> Expect More Sophisticated Customers…

**Customers Expectations will Grow…
Reduced Cost, Tailored Offerings, Consolidated
Statements, Comprehensive Products Range…**

**Future Customer Needs >> Open Finance…
Relationships Consolidation
Meet all customer needs, even if it's someone else's service!!**

**One Stop for ALL +
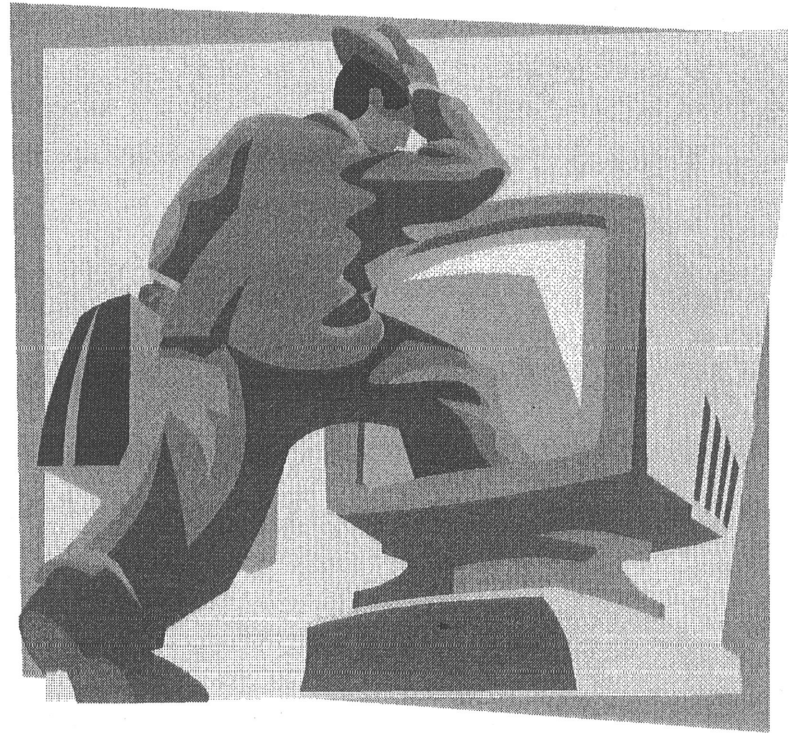Speed, Better e-CRM utilization and
PERSONALIZATION**

Source: Forrester Research 22

Conclusions (What We Want from you?):

- Increase e-Awareness within ME
- Train / Educate local talent
- Create opportunities with educational institutions
- Focus on after-sale-support
- Involve everyone you deal with when it comes to "e" (employees/customers/suppliers)
- What synergies are needed between the internet offering and other channels?
- What internet skills are required?
- The Senior Management Commitment is a **MUST**

Thank You

Thank You

Q&A