

# How to capitalize on the power of technology as a driver of growth (PART 1)



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## Entrepreneurial businesses are investing in new digital capabilities as they navigate an era of uncertainty and volatility.

### In brief

- Private enterprises are building data-driven cultures, adopting analytics tools, and equipping their people with digital skill sets.
- Technology roadmaps are driven by the need to enhance customer and employee experiences, improve ecosystem effectiveness, and boost organizational resilience.
- The most successful technology transformations put humans at the center and enable technology adoption at speed and innovation at scale.

Technology will be a major focus area for private enterprises this year as they pursue growth in what is likely to remain a highly challenging economic and geopolitical environment. The latest EY CEO Outlook Pulse found that nearly three-quarters (74%) of private company CEOs are planning to grow the digital and technology capabilities of their organizations. What's more, they are more likely than their non-private peers to be increasing their investment in technology - the survey found that just 63% of non-private companies plan to accelerate their technology spend.

EY CEO Outlook Pulse

# 74%

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EY Private analysis of over 1,000 strategic growth plans created by the leaders of private companies from around the world highlights the following five technology-related themes as top priorities for entrepreneurial businesses looking to grow:

### 1. Enhancing data analytics capabilities and developing a data-driven culture

Data is critically important to private businesses. In fact, many consider it to be "the new gold". Data provides the real-time intelligence that empowers private businesses to make better commercial and strategic decisions, run their operations more efficiently, and serve their customers more effectively. It also enables them to analyze past performance and make insightful predictions about future trends.

As an example, German e-commerce retailer Otto has been looking for ways to reduce its volumes of product returns and unsold inventory. It used a combination of artificial intelligence and analytics to analyze historical transactions so that it could more accurately predict future orders and automatically determine its procurement needs from third-party vendors. The outcome was that products were delivered faster (reducing the amount of time that customers had to rethink their orders), product returns were reduced by more than two million items a year, and surplus stock declined by a fifth.

As private businesses grow increasingly aware of the value of data, they are focused on enhancing their capabilities to rapidly capture, store, analyze and exploit both internal and external data. There is a strong emphasis on adopting real-time and predictive analytic tools, allowing private businesses to track customer behavior and needs, and improve business decision-making. To ensure access to consistently high-quality internal and external data, they are either introducing new enterprise data management and data quality processes or enhancing existing processes. Another key focus area is to develop or improve data governance processes so that data can be used, secured and shared across the organization while remaining compliant with data privacy regulations.

### 2. Development and deployment of the required technology roadmap

A technology roadmap is a planning schedule for technology adoption

that supports the business to meet its objectives over time. EY Private research shows that the roadmaps of today's private enterprises are strongly influenced by four driving forces:

#### Desire to interact more effectively

One driving force behind the Technology roadmap is to provide an enhanced and differentiated digital experience for customers, employees, and other stakeholders. For example, Rohlik Group, an e-retailer based in the Czech Republic, uses its unique data analytics, machine learning and artificial intelligence capabilities to offer 60-minute delivery times, or schedule the delivery in very precise 15-minute time slots, as well as highly personalized product offerings and real-time pricing. Through its Small Products & Suppliers Program, and its sophisticated tech- and data-led logistics chain, food now reaches customers within six hours of harvest instead of within days as per traditional retail. Rohlik Group's key technology-led differentiators have resulted in a huge 70+ net promoter score and a 50% year-on-year growth rate, with the company having reached unicorn status in 2021.

#### Challenging economic circumstances

Having to deal with increased energy costs, supply chain disruption and rising inflation rates, businesses are deploying technology to become more resilient and agile, lowering their costs, and achieving higher levels of productivity and efficiency. For example, Haneda Airport, Tokyo, Japan, was one of the first airports in the world piloting and adopting so-called assistive technologies by means of their autonomous wheelchairs for travelers with mobility limitations. The wheelchairs can be called through an app, then destinations such as your gate can be entered, and the wheelchair will take you there without any further assistance required. Originally, Haneda Airport started adopting this new technology during the COVID-19 pandemic to solve for the problem of social distancing between the traveler and the assistant

but discovered quickly that it also enhances the travelers' experience due to a faster transportation service. Equally important, it significantly improved airport efficiency. Since then, it started adopting autonomous busses for traveler transfers to and from airplanes, and more recently autonomous towing tractors for cargo transportation, further improving efficiency, productivity and agility. ■

(CONTINUED IN NEXT EDITION)

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Using the wisdom of thousands of resilient, high-growth businesses - including EY Entrepreneur of the Year™ winners - the EY 7 Drivers of Growth is a tried, tested and trusted framework that can enable you to think differently about your strategy for protecting, building and transforming your business to help it flourish.

The better the question. The better the answer. The better the world works. For more information, please send an email to [isaac.sarpong@gh.ey.com](mailto:isaac.sarpong@gh.ey.com) and copy in [kofi.akuoko@gh.ey.com](mailto:kofi.akuoko@gh.ey.com)

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