

How to capitalize on the power of technology as a driver of growth (PART 3)



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

(CONTINUED FROM PREVIOUS EDITION)

Furthermore, the role of the Chief Technology Officer (CTO) is becoming more prominent as private enterprises equip their CTOs with multidimensional mandates. These renewed mandates often include product and process optimization, influencing the customer experience, and mitigating business risk. There is a rise in transformation programs, with the aim of making the IT function a strategic partner to the C-suite. These involve an assessment of the required capabilities of the IT function, with additional specialist skills being brought in from external partners where appropriate.

5. Encourage digital innovation and experimentation

As they pursue growth, private enterprises are prioritizing the encouragement of digital innovation and experimentation - right across the organization. While they already have the benefit of an entrepreneurial spirit, the digital innovation agenda also requires them to develop an agile, data-driven, and experimental culture. They are rewarding their people for taking an analytical approach to experimentation. For example, US-based software company Adobe initiated a unique innovation program called "Kickbox". The program incentivized junior employees to come forward with unconventional new ideas. Without any predefined qualifications to innovate, new ideas will always be pre-approved with a US\$1,000 budget to build prototypes. Employees have the freedom to deploy funds as they deem fit and there are no rigid rules or requirements for progress reporting. A portion of Adobe's annual innovation budget is earmarked for this program. It has resulted in the launch of Adobe's Creative Cloud Libraries, an acquisition, and the development of multiple new tools and enhanced features for existing products.

Humans@center, Technology@speed, Innovation@scale

All the five technology-related priorities outlined above are indeed important to private enterprises. Nevertheless, as EY teams have learned, companies that create exponential value approach these priorities not individually, but rather as part of a bigger technology transformation program.

Leading organizations also understand that adopting new technologies will not be a one-off exercise. It requires an innovation "muscle" or core engine that sits at the heart of the business. They understand that they are not engaged in experimentation on the side. Instead, they have a deep-seated commitment to innovation that drives meaningful contribution to reframing the business.

As a result, the entire business moves and adapts faster. For them innovation has become integral to the way the company operates and is a sustainable source of technological change.

Private enterprises that put humans at the center, deploy technology at speed, and innovate at scale will set themselves up to create exponential value through their technology transformation programs. They will also develop digital and technological capabilities that give them an enduring advantage in the market and the capacity to successfully navigate even the most challenging of times.

Summary

Driving truly sustainable growth as a private enterprise is a big and complex endeavor that demands concentrated effort in several key areas. As well as

technology, it is critical to focus on people, operations, customers, finance, transactions and alliances and risk. Through our research and work with the world's leading private enterprises, we've learned that it requires balancing the company's maturity across these 7 critical drivers to drive truly sustainable growth. ■

EY 7 Drivers of Growth



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 and copy in kofi.akuoko@gh.ey.com

Food for thought - 10 key questions

Here are 10 thought-provoking questions for private-company leaders to reflect on as they reframe their technology strategy, thereby enabling technology to be a growth driver for the business:

- ▶ Should you be the one that disrupts or be the one that is disrupted?
- ▶ Is technology fueling your strategy or the sand in your engine?
- ▶ Does your organization have a clear technology roadmap for the next few years?
- ▶ Do you feel agile enough today when it comes to adopting new technologies?
- ▶ Do you feel you have a data-driven culture across your organization?
- ▶ How could eco-system collaborations support you in achieving your Technology ambitions?
- ▶ Do you know what your most critical digital assets are - and, if so, are they secure enough?
- ▶ Is digital innovation and experimentation being encouraged? And would your employees agree?
- ▶ Do your employees and stakeholders feel they are at the center of your technology transformations?
- ▶ Is your IT function currently an effective strategic partner to the C-suite?

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