

The Challenge of Disruptions

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Digital disruption has already happened.



The world's largest
taxi company owns
no taxis
(Uber)



The largest
accommodation
provider owns no
real estate
(Airbnb)



Large phone
companies own no
teleco infra.
(Skype, WeChat)



Popular media
owners create no
content
(Facebook)



The fastest
growing banks have
no actual money
(SocietyOne)

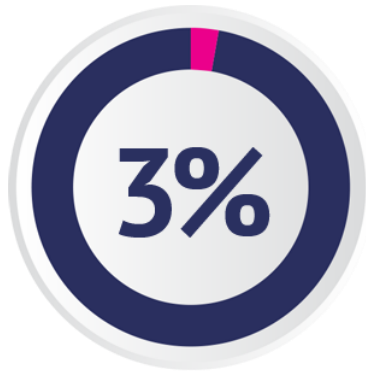


The largest movie
house owns no
cinemas
(Netflix)

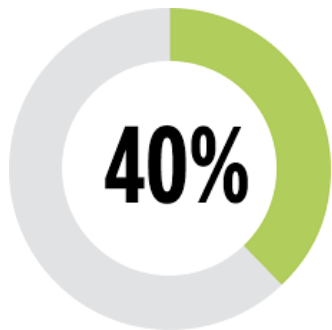
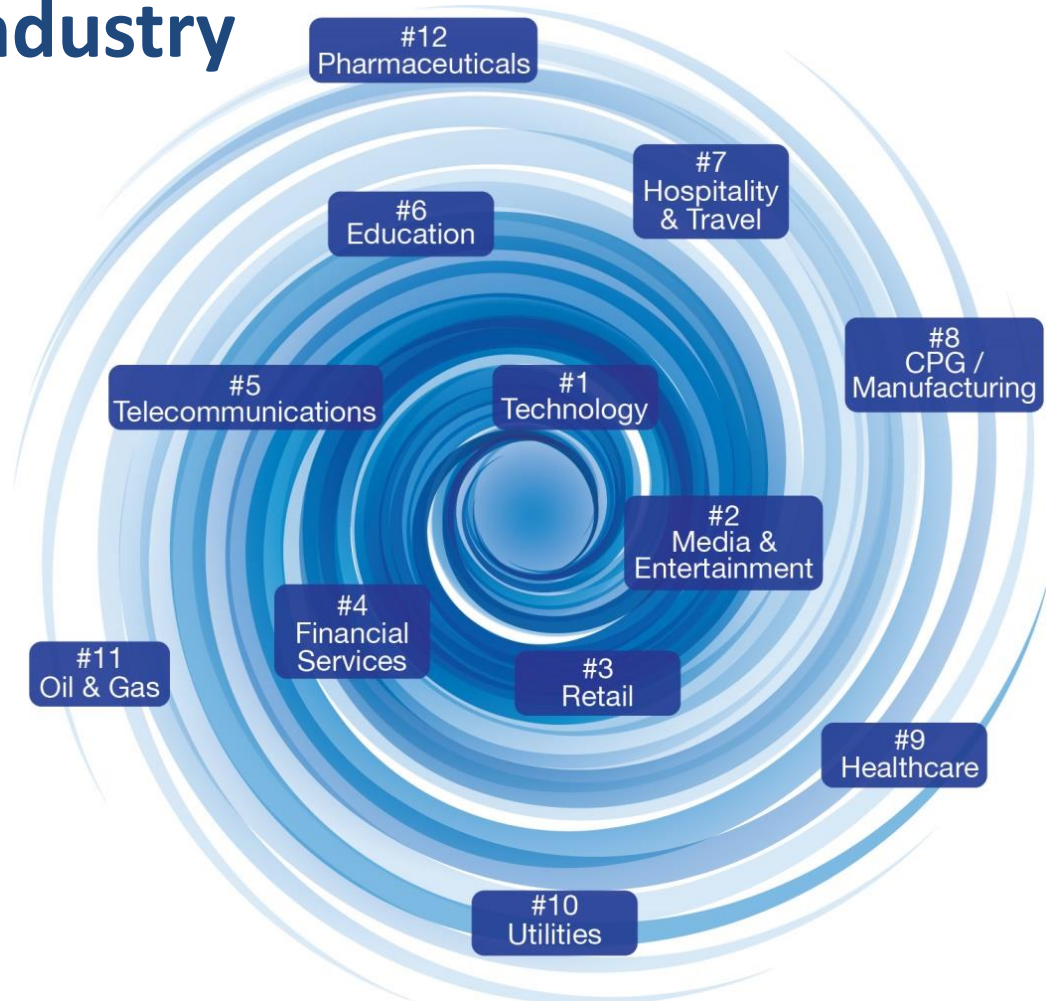


Largest software
vendors don't write
the apps
(Apple/Google)

Digital disruption by industry



In 2017, %age of Philippine GDP was derived from digital products and services created directly through the use of digital technologies, such as mobility, cloud, Internet of Things (IoT), and artificial intelligence (AI).



“The Philippines is clearly on the digital transformation fast track. By 2021, we expect to see approximately 40% or about US\$8 billion of the country’s GDP to be derived from digital products and services.”

- Microsoft Research “Unlocking the Economic Impact of Digital Transformation in Asia Pacific”



Imperatives: Consumer trends are disrupting industries

0.05

Time it takes users to form an opinion about a website

50%

Millennials only shop at brands that reflect their values

79%

Customers willing to share personal data for a benefit

66%

Time spent on mobile vs desktop

88%

Customers search online before purchasing



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THE PHILIPPINES

THE ESSENTIAL HEADLINE DATA YOU NEED TO UNDERSTAND MOBILE, INTERNET, AND SOCIAL MEDIA USE



TOTAL
POPULATION



107.3
MILLION

URBANISATION:

47%

MOBILE
SUBSCRIPTIONS



124.2
MILLION

vs. POPULATION:

116%

INTERNET
USERS



76.00
MILLION

PENETRATION:

71%

ACTIVE SOCIAL
MEDIA USERS

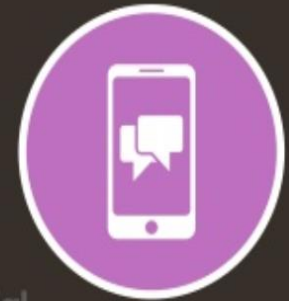


76.00
MILLION

PENETRATION:

71%

MOBILE SOCIAL
MEDIA USERS



72.00
MILLION

PENETRATION:

67%



we
are
social



we
are
social



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TIME SPENT WITH MEDIA

AVERAGE DAILY TIME SPENT CONSUMING AND INTERACTING WITH MEDIA [SURVEY BASED]



AVERAGE DAILY TIME
SPENT USING THE
INTERNET VIA ANY DEVICE



we
are
social

10H 02M

AVERAGE DAILY TIME
SPENT USING SOCIAL
MEDIA VIA ANY DEVICE



global
web
index

4H 12M

AVERAGE DAILY TV VIEWING TIME
(BROADCAST, STREAMING
AND VIDEO ON DEMAND)



oo

3H 33M

AVERAGE DAILY TIME
SPENT LISTENING TO
STREAMING MUSIC



2H 06M



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FREQUENCY OF INTERNET USE

HOW OFTEN INTERNET USERS ACCESS THE INTERNET FOR PERSONAL REASONS (ANY DEVICE)



EVERY
DAY



58%

we
are
social

AT LEAST ONCE
PER WEEK



28%



AT LEAST ONCE
PER MONTH



8%



LESS THAN ONCE
PER MONTH



6%



Disruptive forces in internal audit industry



New regulations



Changes in business model and strategy



Cybersecurity and privacy threats



Financial challenges



Technology advancement

Source: 2017 State of the Internal Audit Profession Study, PwC



Defining business transformation priorities

Strategy is a catalyst to initiate and guide the transformation journey



Define a robust business model/strategy as a catalyst to transformation



Align executives around the transformation ambition and value to be achieved with agility mindset (speed, quality)



Frame up strategic capabilities and operating model that drive competitive advantage



Structure/lead a transformation program with a relentless focus on creating a sustainable business value





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“When everyone is connected, collaboration is the game changer.”

- William Bratton, Collaborate or Perish!: Reaching Across Boundaries in a Networked World



Thank you.

