

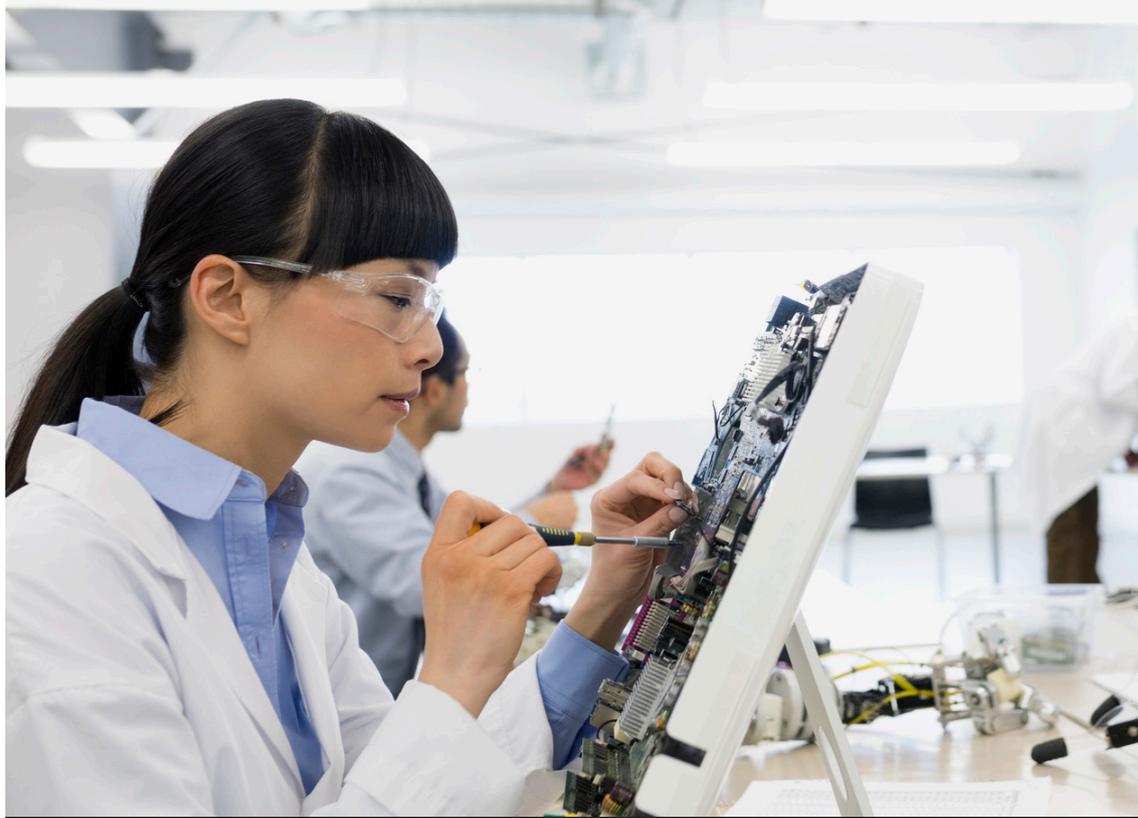


# Be the Future.

PwC's Digital Leadership Mantras 2019







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# Preface



What must Singapore CEOs do to secure the future of their business in the new digital world? That's one of the most burning questions in the minds of Singapore business leaders, as they face unprecedented challenges and focus on reinventing themselves to stay relevant in today's digital-everything world.

Top Singapore CEOs, start-up business leaders and Government executives often share with us their professional experiences and life stories on their digital transformation journey. We have the privilege of being in partnership with them as they brace for the digital future and learn from their ground-level strategies that are, and are not working.

Learning from these conversations and against the backdrop of Singapore's Smart Nation vision and ambition to be the Region's digital capital, there is overwhelming consensus amongst the business leaders here as to what's needed to reach these digital goals. There is a pressing need for establishing successful innovation culture, creating new data-driven business models, building digital trust, optimising the human-machine relationship and accelerating the adoption of Artificial Intelligence (AI).

How can they achieve all of this amid the breakneck pace of digital disruption? There's no magic bullet. Much like our clients, we also see our business impacted by the digital revolution in unprecedented ways.

We are forward looking with our approach and are implementing a number of future-ready initiatives across our various businesses, including gamification, immersive skills building, multimedia content pushed through devices and our digital fitness platform that provides our employees with a personalised assessment of their digital acumen. Our Digital Upskilling program aims at training all PwC employees in Singapore on digital skills such as data automation, data visualisation and robotic process automation.

We absolutely must be ahead of the digital curve, to stay true to our very purpose of solving important problems and building trust in our society. Digital fitness for us is sacrosanct, as we seek to assist our clients to successfully convert disruptions into opportunities.

On that note, we are delighted to share key Singapore CEO insights that we have gathered this year, as well as their challenges and action plans to secure the future of their organisations in this new digital world. We hope you find this publication useful as you chart your own digital transformation journey. I would like to thank everyone who has contributed to this publication and look forward to continuing this journey with you.

A handwritten signature in black ink, appearing to read 'Yeoh Oon Jin', with a long horizontal flourish extending to the right.

**Yeoh Oon Jin**  
Executive Chairman, PwC Singapore

# Executive Summary

It takes more than technology to lead the digital revolution. A balance of innovation, new technologies and human insights is key for businesses to survive and thrive in the digital world.

So, what digital business practices are Singapore CEOs advocating? Amid new challenges and risks of today's digital-everything world, what are the new hacks in the 2019 edition of the CEOs' play book?

We decided to blend local CEO acumen, insights from Government executives and PwC's expertise, to compile the Digital Leadership Mantras, aimed at guiding Singapore CEOs in leading the digital revolution.

In a nutshell, stand tall as an innovation leader, drive mindset change, create a culture and vision that motivates innovation and build an environment conducive to nurturing value creating ideas. Turn digital disruption into digital transformation, as you prepare a future ready workforce and capitalise on data value to create unique customer and employee experiences.

On the ground in Singapore, given the keen focus on the digital future, we see innovation led growth and mindset-change strategies going mainstream. Workforce-led approaches are redefining successful transformation strategies.

A case in point is Singapore headquartered ride-hailing platform, Grab. It is the first Southeast Asian company to join the decacorn<sup>1</sup> club, having mopped up 25% of the region's internet economy investments since 2015, according to a Google-Temasek report released in November 2018.

Moreover, we also see disruptive forces having transformative impact on established businesses in the island nation. Organisations are proactively adopting start-up operations culture and thinking like technology companies.

DBS Bank is another classic example of digital success. The local banking behemoth, well known world-wide for its digital success, has secured the number one spot as ASEAN's most valuable banking brand, pegged at a staggering US\$6.5 billion.

We see traditional insurance companies using data to reward customers for healthy living and in the process shifting their business models from addressing medical claims to boosting customers' health. Industrial products companies here are using IoT (internet of things) sensors to lower manpower costs, monitor performance, anticipate failure, intervene early and produce better products for customers.

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<sup>1</sup> Decacorns are companies valued at over US\$10 billion, while Unicorns are worth over US\$1 billion.



## 46% of the ASEAN CEOs expect decline in global GDP growth

Reasons:



Geopolitical uncertainty & trade conflicts



Talent & information gap

PwC's 22nd Annual Global CEO Survey

Despite these challenges, most CEOs believe that Singapore is well prepared for the digital future. This is thanks to its macroeconomic strength and stability, futuristic policy measures, conducive ecosystem attracting diverse talent pool and the business growth potential it offers as a regional hub.

However, business leaders see room for Singapore to become more innovative, by further developing its digital ecosystem, attracting more outside innovators to stimulate an entrepreneurial culture and changing the educational system to develop creativity and thoughtful risk-taking.

For business leaders today, the spotlight is on real execution, revenue optimisation, data and talent solutions, as well as the ongoing technology implementation. They are pursuing these objectives against widening information and skills gap, deepening geopolitical fault lines and crumbling trade links. In PwC's 22nd Global CEO Survey, we see these factors contribute to the rise in CEO pessimism over global growth for 2019, even though it contrasts the preceding year that saw record optimism across regions

### Top business threats

- Availability of key skills
- Cyber threats
- Speed of technology change

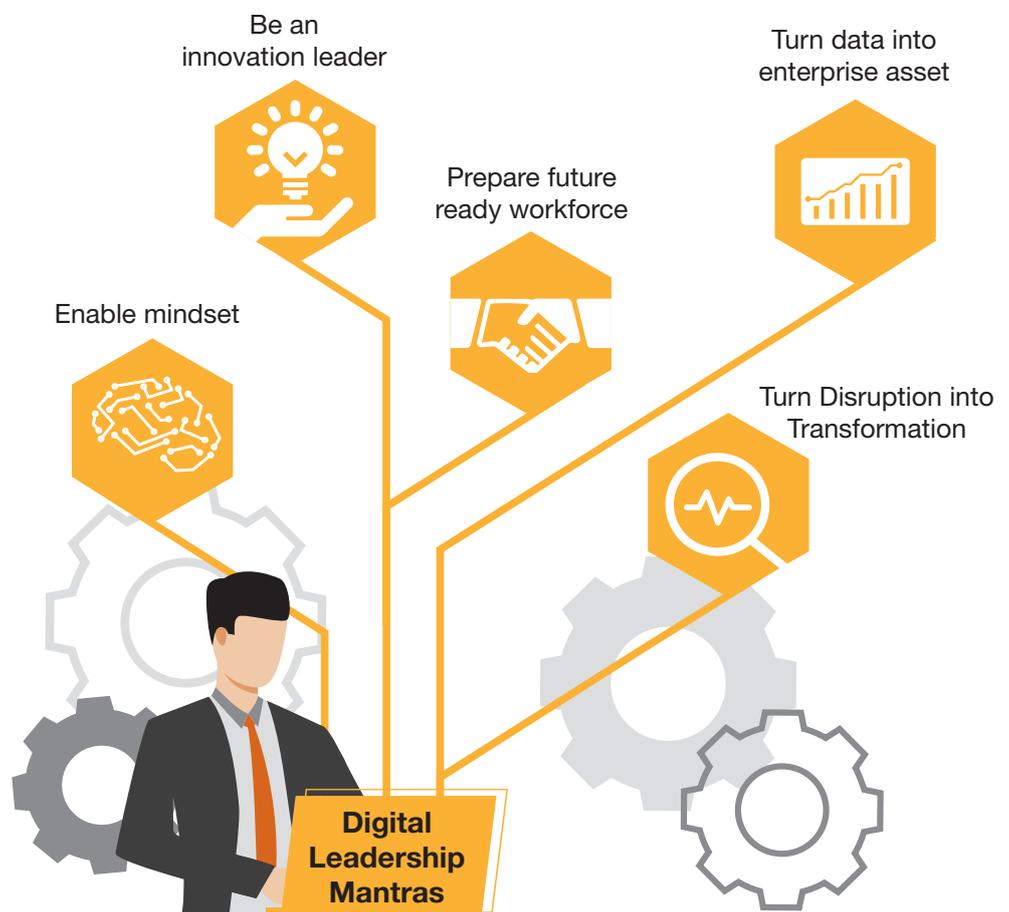
PwC's 22nd Annual Global CEO Survey

# Digital Leadership Mantras



“Talent gap aside, I believe the lack of strong digital leadership will hurt Singapore businesses the most in the near future. So, as you transform your business model, cultivate a pool of digital leaders across your organisation. As much as they are young, agile, tech savvy future leaders who are re-imagining the possible, they must also be humanists, capable of blending creativity, empathy and ethics into their digital business models.

– **Yeoh Oon Jin**, Executive Chairman, PwC Singapore



# 1

## Enable mindset to drive digital change



“I’ve been hiring for mindset over skillset. The risks have paid off.”

– **Shawn Heng**, Regional Head of Business Development, Grab

The fundamental change digital business leaders are coping with is the accelerated pace of the digital-everything world. Top Singapore CEOs find it essential to first transform the internal dynamics: change people’s mindset. That’s happening, slowly, but steadily.

We see organisations here proactively enabling mindset-change. Many now consider failures to be the foundation of success, while others are setting non-traditional management KPIs, beyond financials. Businesses are moving away from the culture of rewarding exact certainty, to celebrating experimentation.

The Singapore Government is aiming to drive mindset change at the grass-root level. For instance, in September 2018, the Ministry of Education (MOE) announced radical changes to primary and secondary school assessments, cutting emphasis on grades. Aside from doing away with some exams at selected levels, report cards now neither reflect students’ class positions, nor their overall scores.

But, it hasn’t been easy to change the Singapore mindset. The aversion to failure and the social resistance to taking risk, are constant roadblocks for Singapore. The country takes

pride in being clean, safe and predictable, yet to innovate and lead the digital world, there must be mess!

Industry leaders highlight that the pressure to solve urgent societal problems is low in Singapore, which is one reason that AI adoption is also low. The AI opportunity remains largely untapped in Singapore, much like the situation in many parts of the world. (Exhibit 1). On the flip side, it explains why China is among the world leaders in pursuing AI. At present, China is addressing many more urgent societal needs using AI.

Data fuels AI. Once again, it’s the mindset, holding companies back from effectively extracting value from their data. Most businesses treat data as a privacy liability rather than cleaning it and using it as an asset. A striking observation in our latest Global CEO Survey is, despite billions of dollars of investments and priority positioning on the CEO agenda, the gap between the information CEOs need and what they get has not closed in the past 10 years.

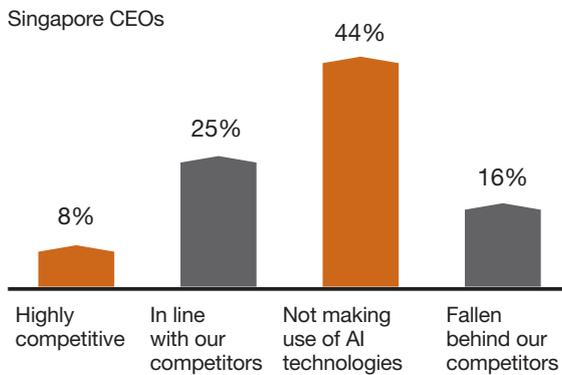
“To meet future challenges, we must accelerate the pace of experimenting with new ideas and initiatives, quickly sort out what is working and what is not, and get back to innovating more. In this journey it is absolutely okay to fail, and that is the mindset change that we are driving within our organisation. In that context, our CEO has announced to the global leadership team that we need to fail at least 20 percent of the time, in order to get to a higher ground.”

– **Kenrick Law**, Regional CEO, Allianz SE Reinsurance

## Exhibit 1

## AI Opportunity Untapped

44% of the Singapore CEOs not making use of AI technologies



PwC's 2018 Annual APEC CEO Survey

**36%**  
ASEAN CEOs have  
no plan to pursue  
AI at present

PwC's 22nd Annual Global CEO Survey

## What must CEOs do?

- **Value mindset over skillset**

Create a corporate culture that values mindset over skillset. While upskilling workforce to fit the digital world roles, cultivate soft skills such as creativity, problem solving and empathy. Aside from skillset, hire for mindset.

- **Look beyond profitability for more effective indicators of success**

Define organisational goals that look beyond the bottom line and put people first, for instance enabling local communities to thrive in a globally interconnected world. Reconnect business and economic success with social progress.

- **Harness technology to meet the needs of people and their communities**

While most CEOs agree that technology is overall good for businesses and the society, many remain concerned about the associated risks. Technology itself is neither inherently good nor bad. The advances of the digital age are powerful in unprecedented ways and, if properly harnessed, may hold the key to addressing systemic challenges for the benefit of the broader community. Moreover, let's use technology to measure our progress towards sustainable outcomes for society.

- **Create opportunities for co-operation among Governments and businesses on a regional and global scale**

Technology can rejuvenate crumbling trade links between nations, as well as solve pressing environmental issues for sustainable living. Let's work towards innovative collaborations between businesses, Governments and the society and create common goals for everyone.



# 2

Be an innovation leader,  
build an ecosystem



“Innovation isn’t a single activity you complete once, participating in a digital economy requires us to become digital enterprises. Innovation filters into everything we do, continuously, to keep pace in a digital world – innovate or die.”

– **Amelia Green**, Chief Digital Officer, PwC Singapore

“There’s a need for common purpose across sectors, to catalyze close collaboration in the space of innovation. Companies are overwhelmed and risk-averse. Researchers tend to develop without thinking if the outcome will truly be useful. There is a gap. We must build an ecosystem, fostering innovative ideas to create tangible solutions.”

– **Li Yongfeng**, Chief Development Officer, A\*ccelerate Diagnostics Development Hub, A\*STAR Singapore

Innovation is building on what you have today and creating new, exciting and interesting models that shape the future. Who would have thought a phone would be making payments at grocery stores?

To remain competitive and capture emerging opportunities it is imperative to stimulate innovation. Technology can intensify and scale those innovations to create more value and more profoundly improve customer experiences. Singapore businesses - whether large institutions in legacy industries, or the first decacorn of South East Asia, agree that innovation is vital to leading the digital revolution.

PwC’s 2018 APEC CEO Survey found that digital business leaders in Singapore see challenges in operations, data infrastructure, digital customer interactions and digital products development (Exhibit 2). CEOs’ focus must be on stimulating innovation to address their core business needs.

According to the Singapore Government, the right environment and ecosystem can make a big difference towards the success or failure to innovate. The nation considers research, innovation and enterprise as the cornerstones of its national strategy to develop a knowledge-based innovation-driven economy and society.

To support the national strategy, the Government has increased public investment in research and innovation over the past years. Under the five-year Research, Innovation and Enterprise (RIE) 2020 Plan<sup>2</sup>, the Government is committed to

investing \$19 billion over 2016-2020, against \$16 billion under the previous RIE 2015 plan.

However, Singapore CEOs emphasise for the need for a more robust ecosystem to accelerate broad-scale innovation, seamlessly connecting local markets to innovators, data and digital savvy policies.

Business leaders here see innovation suffer under legacy systems and reflect that 90% of the resources are deployed in maintaining the status quo. There is not enough drive to learn new technologies, or consider new possibilities within the existing systems. Additionally, reluctant risk-taking impedes innovation in Singapore, according to some local CEOs.

But, there are reasons to be optimistic. Our 2018 APEC CEO Survey revealed, 39% of the Singapore CEOs are investing in local start-ups, potentially looking at bringing innovation in-house. The majority (64%) of local CEOs and 31% APEC CEOs

believe Singapore has the strongest unicorn potential, outside the US and China. It’s indeed a nod to the recent efforts by the local authorities and Government agencies to boost innovation and talent development.

**64%** Singapore CEOs  
**31%** APEC CEOs

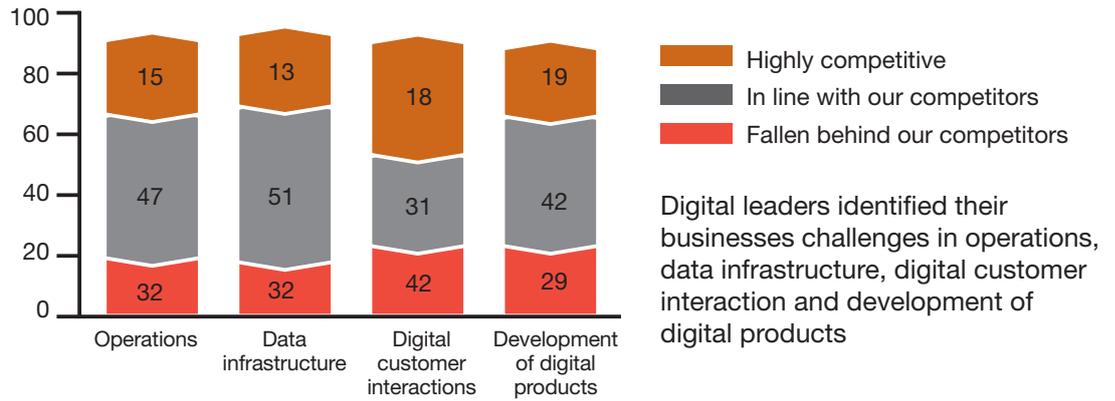
believe Singapore has the strongest unicorn potential, beyond the US and China

PwC’s 2018 Annual APEC CEO Survey

<sup>2</sup> <https://www.nrf.gov.sg/rie2020>

Exhibit 2

## Use Innovation to meet core business needs & challenges



PwC's 2018 Annual APEC CEO Survey

## What must CEOs do?

- **Create a culture of innovation**

Innovation leaders have a vision that motivates the innovative. They lead from the back and not the front, often without hierarchy, as part of the collective, while motivating the team in ways that make them want to come up with new ideas.

The culture of innovation has many components: leadership that fosters ideas, people with a collaborative experimental mindset and digital skills and a working-environment people enjoy. Orchestrating all of this allow people to generate ideas and develop them into something that is works and creates value. Successful innovation cultures breed innovators who develop their own identity and purpose.

- **Align innovation with business goals and strategies**

This will make the purpose of innovation clear to the employees. Motivate employees and funnel resources into impactful research and development. Co-ordinate critical functions (like sales or manufacturing) with the innovation mandate.

- **Take a customer-first approach**

A step further, ask what are your customers' customer needs. Help customers fulfill "a need" that they have not yet even imagined. Direct innovation accordingly.

- **Use proven techniques to accelerate innovation**

Engage with your innovators on a consistent basis. Bridge traditional and innovative parts of the organisation. Ensure you know the ways to make your innovation real. Work with teams across geographic locations and enhance your idea using external insights constantly.

- **Swarm together a group of traditional and non-traditional skillsets**

Bring together the technologists and humanists in ways traditional organisations would never think of. Pool in diversity of thoughts and different points of views. For instance, you are designing new ways of customer interactions with a bank, what if you got a psychologist or a behaviourist or someone from risk & compliance to complement your tech team?



# 3

## Prepare future ready workforce



Technology has radically driven change at work, from AI and automation to digital mobility, virtual collaboration and more. People are being pushed to acquire more and different new skills. Social and environmental pressures are creating demands for more flexible working conditions. These forces are making people insecure and anxious about the future of work, and how many or which jobs will be automated out of existence.

The jury is out as to whether AI will displace more jobs than it creates in the long run, with the ASEAN and the Asia Pacific being the most pessimistic regions. In our latest Global CEO Survey, nearly two-third of the ASEAN CEOs see AI displacing more jobs than it creates. (Exhibit 3).

The fear of losing jobs to machines compounds the biggest challenge of Singapore CEOs as identified by our CEO Survey: the talent crunch.

In fact, with nearly 4 out of 5 CEOs expressing concern in our Global CEO Survey, the skilled-talent gap emerged as one of the top reasons for fading CEO confidence over global growth for 2019.

Almost 60% of the Singapore CEOs in our latest APEC CEO Survey believe the Government should do more to train Science, Technology, Engineering and Mathematics (STEM) professionals.

“Make your sheep wolves. If we can adapt to technology and change our personal lives, then why can’t we change in the business context? The question is, are you trying to make everyone a ‘coder’, or are you teaching them how to deal with data, and how to apply to change. Not everybody needs to be an engineer or a coder.”

– **Piyush Gupta**, Group CEO, DBS Bank

What’s putting businesses at risk in terms of attracting, upskilling talent and creating compelling work experience is their inability to use data analytics in making workforce decisions. In PwC’s Future of Work Report 2018, while over 70% of the respondents in Southeast Asia (60% globally) agreed that using data analytics in workforce decisions is important, only 34% in the region (27% globally) actually use it.

The top-three ‘at risk’ areas identified in our global survey of business and HR leaders - Preparing for tomorrow’s workforce, today<sup>3</sup> – relate to a lack of analytical capability. Moreover, while 41% of HR leaders are confident that their HR departments are up to speed in this area, only a quarter of business leaders agree. This shows, HR and business leaders aren’t on the same page to accelerate preparations for the future.

Business leaders in Singapore say that they are creating more jobs but struggling to fill the new roles (Exhibit 4).

Singapore CEOs also highlight the trend of top talent moving to “smart companies”; indicating that the current gap within traditional organisations is expected to widen further. They noted that job transformation with a focus on adaptability, collaboration, creativity, culture and mindset change, are key requirements for their workforce today.

In fact, organisations here recognise that the digital skills gap is not entirely about deep-tech or coding, but more related to a much broader set of skills and capabilities, including creativity, adaptability, collaboration, among other soft skills.

Many identified the need to establish a deeper relationship between the ASEAN businesses in order to better understand regional workforce dynamics, as they expand overseas. Although, local business leaders see the need to engage flexible talent like freelancers and contract workers, few seem to be prepared for this shift.

At PwC Singapore, we are leaving no stone unturned to ensure all our employees are fit for the future. Aside from the various

<sup>3</sup> <https://www.pwc.com/gx/en/people-organisation/pdf/pwc-preparing-for-tomorrows-workforce-today.pdf>

other initiatives, we have recently launched Digital Upskilling program aimed at training all employees on digital skills, such as data automation, data visualisation and robotic process automation.

The question is how can Singapore businesses deliver great performance while helping their people and the Smart Nation thrive? We do know, there are opportunities to make working lives more productive, meaningful and fulfilling.

“Mindset is the biggest constraint. Look for the 3 Cs: Courage, curiosity and confidence.”  
 – **Steve Leonard**, Founding CEO SGIInnovate

Exhibit 3

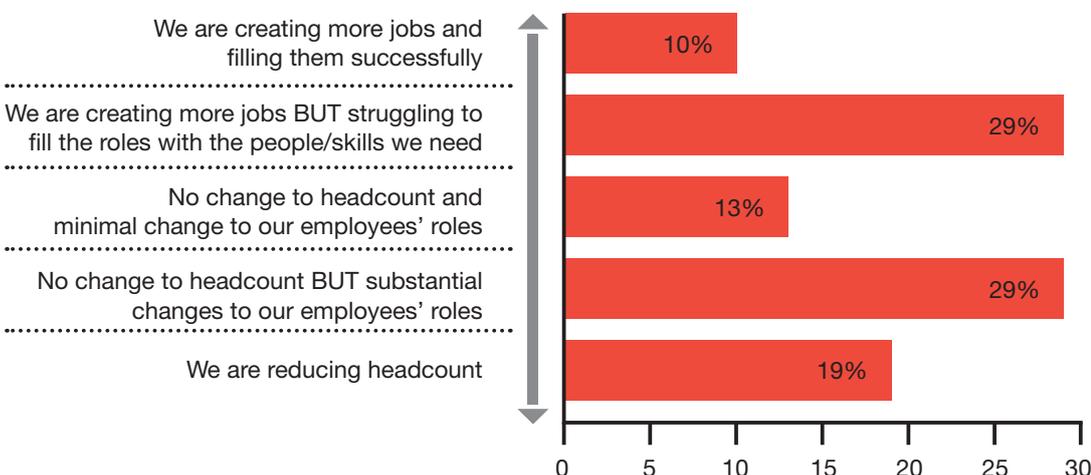
**Impact of AI**

Artificial Intelligence (AI)	Global CEOs	Asia Pacific CEOs	ASEAN CEOs
Will displace more jobs than it creates	49%	60%	62%
Will eliminate human bias like gender bias	48%	61%	56%
Is good for society	79%	85%	73%
Will become as smart as humans	45%	58%	51%
AI based decisions need to be explainable in order to be trusted	84%	88%	90%
Will have larger impact on the world than the internet revolution	62%	72%	72%
Governments should play a critical and integral role in AI development	68%	79%	79%

PwC’s 22<sup>nd</sup> Annual Global CEO Survey

Exhibit 4

**Singapore CEOs creating more jobs but struggling to fill new roles**



PwC’s 2018 Annual APEC CEO Survey

“The big digital skills gap is not a deep tech or coding skills gap. It is a much broader skills and capabilities gap, including leadership, ability to implement technology, creativity, adaptability and collaboration among other things. Singapore businesses recognise this, which gives us the confidence that the country is heading in the right direction.”

– **Nicole Wakefield**, ASEAN Management Consulting Leader

## What must CEOs do?

- **Build a strong narrative and put your story straight**  
Organisations can't protect jobs that are made redundant by technology, but they do have the responsibility to prepare their people for the future. Create a strong narrative as to what the future of work means for the company and its people. Take workers along as you share the strategic direction and support them with reskilling or redeployment. Be transparent about the commercial pressures while still supporting the people.
- **Promote talent not replaceable by automation anytime soon**  
These people will play a pivotal role in how organisations develop, compete, create and innovate. They will ultimately drive success. Lead the collaboration between technology and humans with emphasis on harnessing human skills like creativity, empathy and ethics alongside digital skills.

- **Create engaging people experience, beyond training**

It is as much about workloads, working conditions and management inspiring the workers, as it is about HR-led programs like training. Actively tackle burn-out and foster vitality. Build social resilience and nurture agility and adaptability. Provide autonomy, supporting 'intrapreneurship'. Move beyond 'good practice' and bring HR and business leaders together.

- **Use workforce analytics**  
Use data analytics to gauge future talent needs, create compelling people experiences and eliminate potential biases in selection, assignment and appraisal.
- **Harness the potential of flexible talent**  
Beyond your traditional employee base, take advantage of the ideas and skills from the wider labour market. Think differently about how to access talent and from where to congregate, crowdsource ideas. Engage and build trust with this group of workers while staying true to your corporate purpose.
- **Step up tech-savvy HR, bring HR and other business leaders together**  
Develop and demonstrate HR's tech understanding as a key competency, ensure HR is skilled in data analytics to predict and monitor skill gaps and use HR to bring a human dimension into tech decisions. Encourage HR to drive thinking about the future of work and make the work visible and inclusive. Communicate HR initiatives across business managers.



# 4

## Turn data into enterprise asset



“Data collection must be purposeful, explainable and create customer value. Data regulations should be framed around how to use rather than whether to own. Defend against internal data leaks and attacks, inside is the new outside.”

– **Piyush Gupta**, DBS Bank

To retain and gain competitive business advantage in a world of constant disruptions, companies must strategically value data as an enterprise asset. This data strategy should spur innovation, design new products, boost customer relationships and experiences, as well as create greater transparency.

Although many CEOs acknowledge the business opportunities driven by data, organisations struggle with privacy regulations as well as making sense of their data assets. Given clean data is the fuel for the AI engine, most organisations haven't moved beyond baby steps toward AI.

Moreover, the need for companies to understand, value and monetise their data comes with significant obstacles. Most organisations currently refrain from sharing and monetising their data assets due to poor understanding of both the investments and capabilities required and the potential business outcomes.

Additionally companies also struggle in the face of new regulations, which have enhanced individuals' sense of data ownership and privacy. Regulations such as the Personal Data Protection (PDPA) Act in Singapore and more recently GDPR (General Data Protection Regulation), which came into effect last year in Europe, have underscored the importance of respecting data ownership, management and governance. The recent high-profile breaches of sensitive data have also caused a palpable sense of intimidation amongst corporate data owners. It is now not only a necessity to drive data value, but also minimise the risk of negative events such as data breaches.

Data governance involves both strategy and execution, requiring those tasked with governance to work in partnership with the business who ultimately own the data, and functional departments such as information technology (IT) and operations who are more often than not responsible for processing and protecting the data. Only then can they understand what data is required, the value it brings to the organisation, and the rules needed to govern and safeguard the data across applications and ecosystem of partners.

Singapore CEOs are calling for a universal trust framework to guide data governance, value, sharing and ethics, in order to build data trust. A framework, according to them, is necessary to help companies mature towards more a productive and responsible use, in particular where data directly influences people's lives.

“Digital transformation is more than just technology. A critical component is the value your data can give to enable your company and drive real time outcomes. Like fuelling your car, poor fuel or data equals poor performance... treating data as an asset, managing it well, curating and being aware of the value requires a focused strategy and will be a strong determinant of success.”

– **Mark Jansen**, Data & Analytics Leader, PwC Singapore

## What must CEOs do?

- Design a robust corporate data strategy**  
 Understand your data assets and how they can translate into business value. Identify data with significant value across multiple business functions in an extended value chain. Define the principles, priorities and purpose of the data valuation program, and design enhanced capabilities around data management and data analytics to enable monetisation.
- Drive data value**  
 Data valuation delivers an estimation of enterprise data in terms of potential profit and liability. It can inform the best ways to share this data. It should then be aligned with the business objectives, including the creation of new revenue streams, data-driven decision-making, risk reduction among other things. Understanding the value that data can create internally and externally enables crisper focus on investment decisions and the operating model.
- Build Data Trust Frameworks**  
 Data Trust Frameworks provide a basis on which valuation can be made. Key drivers for value include not just the use case, but also the completeness, timeliness, interoperability, legal rights (including consent), accuracy and data source. A Trust Framework covers these elements and additionally looks at how data is protected, managed and most importantly who can be trusted with the data internally and externally. Data Trust Frameworks will be critical in the future as enablers of value.
- Implement data governance**  
 Data Governance enables trust in data and ties people, processes and technology together to formalise data management throughout the data lifecycle. Such a program must be created with future needs and trends in mind. It must be tied to an organisation's business objectives and corporate culture and iterated as necessary in agile sprints to respond to urgent needs. To stay ahead of the competition, companies should actively increase data quality, visibility and fluency and leverage new technologies to enhance governance capabilities.
- Ensure data security**  
 Data integrity and security underpins an organisation's ability to derive and drive value from data. With IoT adoption growing, our networked world is replete with risks to both IT and OT (operating technology). While enhancing data security is challenging, it can be turned from a compliance burden to a catalyst for digitisation. To do that, engender more trust in consumers to receive more data, it will help provide new service offerings. Increased transparency about data breaches improve the investment climate by enhancing the sentiments around trust in potential investors.



# 5

## Turn Digital Disruption into Digital Transformation



Digital transformation refers to new ways of solving problems, creating unique customer and employee experiences and boosting business performance.

What makes transformation-led business growth unique is: i) the speed at which it is implemented, ii) the agility around delivering change through quick steps, iii) the rate of adoption and bringing people along and iv) the trust that you build around your digital initiatives.

In today's digital-everything world, new technologies, for instance AI, are defining what's next – for companies, competitors and industries. PwC research shows, AI will add US\$15.7 trillion to global GDP by 2030, which is more than the current output of China and India combined.

Business leaders know that those who take the lead now will get the biggest share of this prize, yet few have only dipped a toe into AI for limited uses. Despite nearly 3 out of 4 ASEAN CEOs saying in our Global CEO Survey that AI will have larger impact on the world than the internet revolution (Exhibit 3), over a third have no plans to pursue AI at the moment. Similar is the situation in Singapore. (Exhibit 1)

We see businesses in Singapore, like many others globally, nervous about the unprecedented pace for change and new technology implementation. Nearly 3 out of 4 ASEAN CEOs in our latest Global CEO survey expressed concern over the speed of technological change and see it as a business threat.

“Razor-sharp focus on key objectives multiplied by a very healthy amount of open-mindedness, has helped us stay relevant and maintain leadership during the digital revolution. At one point, we felt like the lead runner on the race track, looking back at competition. Now, we have stopped asking: how do we protect our flag. Instead, we're focused on where we want to go.”

– Shawn Heng, Grab

The fear over digital transformation may potentially turn disruptive if resisted by people. Digital leaders who do not provide accurate decision-making and go against the social norm and ethics could lead to mistrust. The question then is, how can CEOs turn digital disruption into digital transformation?

Moreover, given the risks associated with cybersecurity, data access, data privacy and regulatory requirements, it is now imperative for businesses to build digital trust. Although about 3 out of 4 ASEAN CEOs in our Global CEO survey agree, that AI is good for the society, 90% say AI-based decisions need to be explainable in order to be trusted (Exhibit 3).

AI will add  
**US\$15.7**  
**trillion**  
to global GDP by 2030

PwC Research

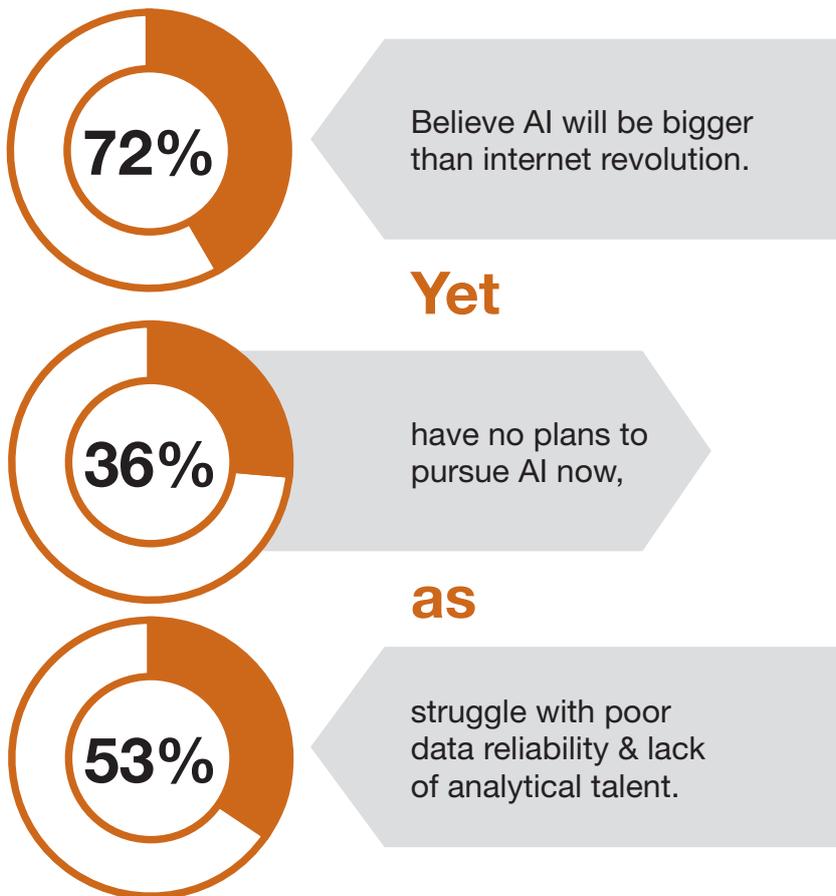


“Any digital transformation journey is challenging. It requires bringing together leadership, and the right people, processes and systems that support the change. It also requires an understanding of how to optimise an organisation’s underlying technology solutions, as well as effectively incorporating new emerging technologies. In this journey, things can and will go wrong. Hence, the right controls must be in place to effectively hit reset, if and when required. When people appreciate the risks, they tend to manage them better.”

– **Greg Unsworth**, Digital Business and Risk Assurance Leader, PwC Singapore

### Data and analytics fuel AI adoption

ASEAN CEOs



PwC’s 22nd Annual Global CEO Survey

## What must CEOs do?

- **Be a digital transformation leader**

As mindful tech-savvy humanists, digital transformation leaders must understand technology well enough, to enable humans to get the best value out of technology. They must foster systemic intelligence and empower other leaders by providing guidance, resources and trust. They should also display authenticity of thoughts and actions which build trust and creates an environment in which individuals feel respected and comfortable to take risks, learn and grow.

- **Change the narrative and organisational culture**

Help employees make the transition towards digitalisation by creating a narrative, a purpose and a culture that inspires people to create value. When employees feel supported they respond with high levels of engagement and willingly bring not only their intelligence, but also their commitment, intuition and creativity to work.

- **Optimise human-technology relationship**

Employees are fearful of losing jobs to machines. Retrain and upskill to help employees shift to new roles and take on new activities. Apply strategic workforce planning to identify skills gaps. Look for employees who are good at the tasks that smart automation struggles to do, as it adds value to the use of smart automation. Keep your eyes open for abstract and higher educated skill sets, such as social and creative intelligence.

- **Establish digitally-fit risk functions**

More digitally-fit risk function means greater benefits from digital initiatives. Build digitally-fit risk functions by: i) Identifying the knowledge and capabilities required; ii) Having in place the right skills and competencies to strategically advise stakeholders on risks; iii) Changing the risk functions' processes, tools and services to become more data driven and digitally enabled, thus anticipating and responding to risk events at the required pace and scale.

- **Build digital trust**

Digital world leaders must demonstrate, how to lead with safety, security, reliability, privacy and data ethics. As companies deep dive into digital transformation programs they must understand the vulnerabilities and proactively manage cyber and privacy risks. This is done through design in the project plan and budget "fully from the start".

Conduct risk, regulatory, compliance and framework assessments that align business imperatives to cybersecurity controls. Refreshing cybersecurity strategies and plans on a continuous basis is a must.

Keep pace with innovation. To build lasting trust around data, manage risks for the whole data lifecycle, including creation, storage, use, sharing, archiving and destruction.

Be proactive in compliance. Businesses operating across different geographies should comply with the highest standard, to not only gain the confidence of consumers, but also regulators. Upgrade talent and teams with more digital leadership roles.

## Is Singapore ready for a digital future?

“Singapore is in a unique position and the country has progressed well in terms of its digital readiness. We have Government, business and tertiary education working together, and creating things that connect us all. We are small enough to make this happen, yet big enough to invest SGD 5 billion in research.”

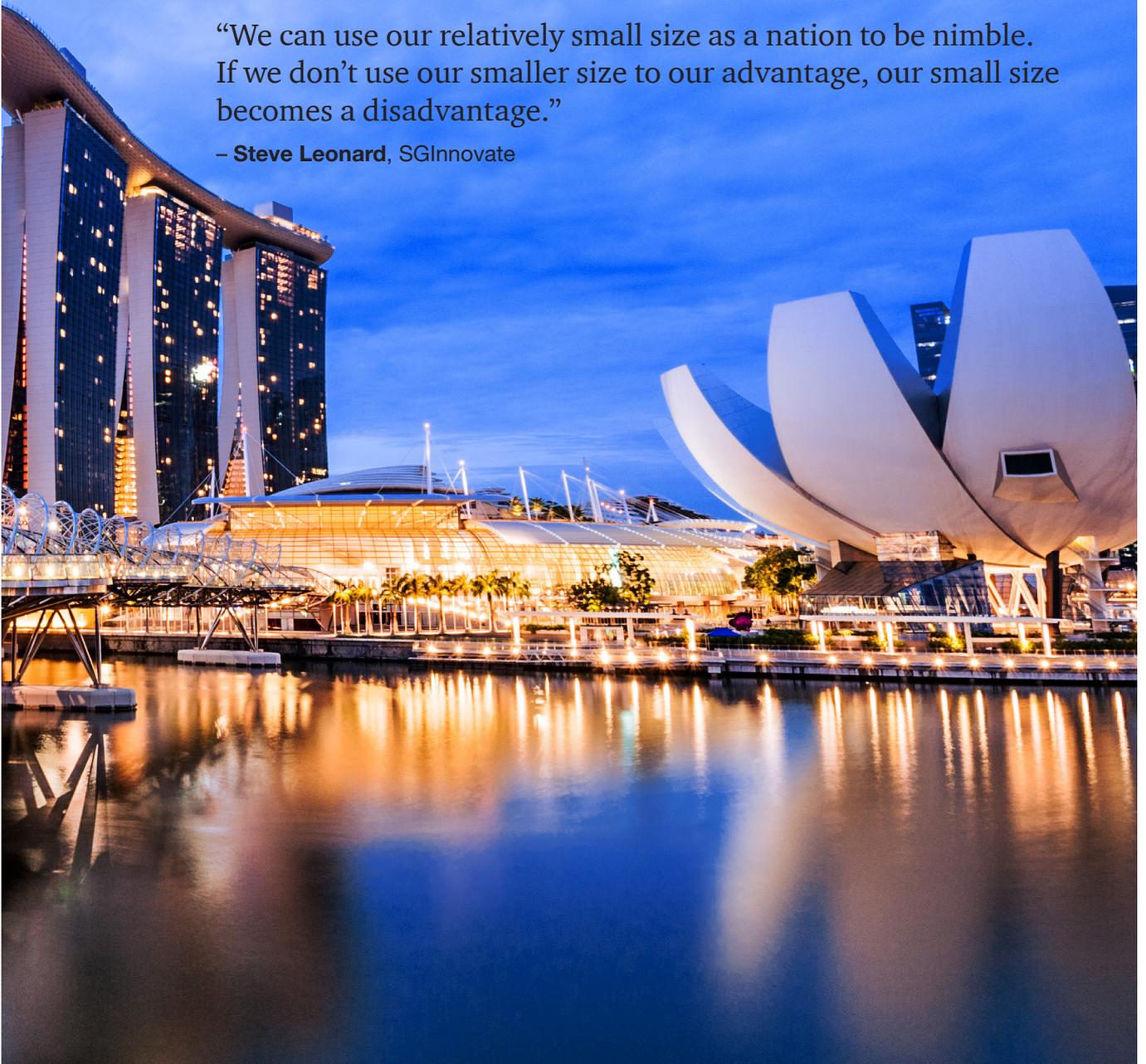
– **Piyush Gupta**, DBS Bank

“All of the digital building blocks for Singapore are in place. They are just at different levels of maturity.”

– **Shawn Heng**, Grab

“We can use our relatively small size as a nation to be nimble. If we don’t use our smaller size to our advantage, our small size becomes a disadvantage.”

– **Steve Leonard**, SGIInnovate



# Conclusion

Digital transformation journey isn't easy. CEOs today are facing new risks, and many internal and external uncertainties. At PwC, we are dealing with these uncertainties by co-creating solutions with CEOs in our state-of-the-art Experience Centre in Singapore. Here, we engage with our clients to re-frame disruptions into opportunities and redefine what is possible.

PwC's South East Asia Consulting Experience Centre<sup>4</sup>, a system of talent, environment and solutions, is the ultimate example of our own transformation and embodies innovation within our own environment. We created it in order to accelerate innovation with a sense of purpose.

The more an organisation understands where it is, the better it can plan for where it wants to go. To start to calibrate what the future might hold for your organisation, below are a set of questions we believe all CEOs must ask themselves:

- What would our company look like in 2025? Are we on track to achieve this goal?
- Is our digital strategy aligned with the growth plans and how do we articulate that to stakeholders?
- Is our digital transformation strategy working? What's great, good and not so good about it? How can we make it all great? What did we learn from our failures?
- Do we need to tweak our digital strategy to align with changes over the past 6 months? Are we factoring in the rapid digital world changes in our strategy? Is our digital strategy up to date?
- What does digital success mean for our company? What are the indicators of success beyond profits? How are we measuring them?
- Are we firing on all cylinders to capture the most out of our innovation strategy? What is our innovation approach, is it customer and people centric?
- Are our employees happy to come to work? Are we uplifting them in their careers and enhancing their quality of life? Do they feel invested in our company's success?
- What are we doing with our data assets? Do we have a strategy to monetise and protect our data assets?
- Is our business protected from cyber threats? Are our internal and external checks all up-to-date and in place?
- How are we contributing to the Smart Nation vision of Singapore? How are we adding value to Smart cities like Singapore?

This publication is aimed at assisting Singapore CEOs better understand, what's key to gearing up for the digital future. A big thank you to all the participating business leaders for sharing insightful perspectives and experiences with us. We hope this publication is helpful to you, and you enjoyed reading it as much as we did putting it together.

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<sup>4</sup> <https://www.pwc.com/sg/en/services/consulting/experience-centre.html>

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