

Strategy for Digital investments during & post COVID-19

Hello everyone and welcome to that HCL podcast on hybrid cloud services. This is Gaurav Sharma. I work as an associate director at HCL Technologies in the Hybrid cloud business unit.

First and foremost, I hope everyone who's listening to this podcast and your families. You are all safe and sound during this time. Today, I'll be briefly talking about the strategy for digital Investments in the COVID era and what should be some of the short-term and long-term guidance with appropriate examples from different sectors during this time.

So let's get started!

Now within in a few months, 5 or 6 months depending upon where you are in the world, COVID-19 has emerged as an emergency across the world and all of us would agree that the impact has been unprecedented. We never thought that, this could happen to our generation who is so advanced with science and the impact has been felt right from global markets to local businesses, communities, our individual lives. And it has actually compelled us to relook at the ways of working, interactions, meet & greet, our servicing of clients the way we used to consume. All of that has changed for us in a very short span of time.

Now all this change is actually led by the way, we used to consume technology or I would say technology has come up as a silver lining within this Pandemic era. The consumption of technology has changed it has increased for all of us in all facets of a life whether professional or personal. For organizations, It has changed in the way how they can Embrace technology for servicing their customers whether it is Enterprise or consumer, how they can predict demand all of that. So all this change is currently being led by technology on a positive note if I were to say during this time.

It would also be fair to say that digital channels have emerged as a savior for all of us, whether we are doing work from home, whether we are parent or grandparent, to stay connected with our friends and family or for all of us rather not for that generation only. We are using technology more than ever. And due to this reliance or I would say over-reliance on technology now because digital channels and virtual mediums are fast becoming The New Normal, the Business Leaders across the verticals, across the board in different organizations are also exploring new ways of leveraging it in their respective roles.

Now most of the organizations are expected to recalibrate, are re-calibrating or have recalibrated their Tax Strategies as they sail through this pandemic. And but the important point is the level and capability of support, the spending, the effort put in by them will be inversely proportional to the digital maturity

they would have achieved over time. Now, what does that mean? And we'll look at, you know, very briefly at the HCL model of digital infra maturity that will help clear the fog a bit. Now this model explains that organizations who had invested more in self-service, Automation, AI/ML models, cloud services, software-defined Solutions will be able to adapt quicker in comparison to those who haven't. now what this means is an investment early in these technologies by some of the organizations, they are able to adapt quicker and they're able to transition much better into the digital channels than some of their competition or their peers.

Now having said that, the million dollar question is - what should be my short-term and long-term guidance for this era or this time? now in the short-term, there are few things that organizations can consider, the first one very important, virtual solutions should take the front seat. The answer is very simple - Solutions where customer experience or proximity is required or revenue shift is expected. Now, there are various examples and I'll take an example for retail which is a b2c space for instance. Now in retail stores or offline stores, the foot-fall has dropped considerably across the world and it is a phenomenal out of COVID. Now for the retail stores when the customers are buying more online, how is it that they can shift that entire activity of predicting customer demand of their fulfillment channels of their, you know, digital engagement with the customer much more effective than some of the offline channels at this point in time. And hence, the focus should completely be there on that side.

The next one should be in terms of Security Solutions. Now, digital footprint for all the organizations is increasing and it'll continue to increase. there is no looking back on that. So Security Solutions, in terms of B2B or B2B organizations, are very important because at this time when digital activity is increasing scamsters, hackers, they will see this as an exploitable opportunity to make money.

Thirdly, how do you enter in specially for b2c organizations, How do you ensure a seamless mobile experience is something that you should definitely consider, more than ever. Mobile devices are fast becoming the epicenter of customer engagement. Just look at you and me, we do a lot of our shopping, we consume a lot of banking services, for instance, we interact with some of the entities that we used to do an offline interaction otherwise, today on our mobile devices or online I would say. so that experience becomes very important. How do you make it more smooth? How do you make it more engaging?

Fourth, Enterprises should rethink about their cloud services consumption. They have to be more agile, they have to optimize the business cost, but at the same time they have to look at the consumption in a balanced approach for themselves.

And lastly, looking at the work from home processes, making it more robust for their employees, more smooth for their employees as more human to human activities move to the digital space. This is some of the short-term guidance that the organizations can consider.

Now, in the long term, because the COVID effect will be there.

First of all, the activities that are being done during this period They will become the new normal. So there is no denying the fact on that piece. Now, while in the long-term cost optimization initiatives are important, but there are investments that you can't do away with. You need them in the in the digital space in the long run. So you should consider looking at, for instance, some of the utility or pay-as-you-go models, resource optimization. You can also consider if you are asset heavy organization, shedding some of the assets or looking at Asset monetization strategies. For instance, that can that can Infuse some liquidity into the system as well as help you invest over some of these Greenfield projects.

Now workforce deployment is also very important and you should consider certain strategies for their re-skilling and redeployment as well. And I'll tell you why? Now, due to all this digital functions becoming more and more evident in our lives. There will be a section of your workforce which will have less workload. There will be other one which will get overloaded. Maybe the virtual Workforce, Now, how do you look at their re-deployment/re-skilling? For instance, again in the retail sector, How do you move some of your store employees as L2 functional support for digital channels? How do you look at their re-skilling or redeployment, becomes very important in the in the long run.

Thirdly, a lot of the organizations to widen the customer base will have to establish new Partnerships, they will have to partner with tech startups or giants. We saw an example of uber partnering with retail manufacturers or I would say retail manufacturers partnering with Uber to minimize the last moment delivery hassles. Such Partnerships will be very critical for organizations to regain some of those revenue numbers that they used to have in the pre-covid era.

Now, another long term strategy could be to devise new ways of remote working or revise pricing models, revise a catalog of services - all of that becomes very important to remain agile, to remain productive if the organization didn't have such a strategy it make sense to actually look at this in terms of the long-term strategy as to how the organization will start facing the new normal and take the service providers into confidence towards creating some of these.

Now in the long-term you would also want to look at how to cut down further on human dependency, errors and the adoption of automation initiatives will become very critical to an organization in the long run. Also, there has to be considerable investment in the AI/ML models to help predict the demand in this unpredictable time. Again. Retail sector example, customers are not coming as much to your offline stores. But then how do you predict the demand through the online Channel itself? And hence, AI/ML becomes much more important in that case.

Now another important point is to note that a lot of companies had to design their remote working policies in a heist. They were not ready for that. They had never considered such a such a time and hence, especially those who never had this kind of a policy it would make sense to focus more on, you know, the long-term policy making, how to make it more robust, how to make it more smooth for their

employees that would also help them prevent a lot of security process, compliance issues at a later stage as they face the new normal as I was saying. Now to reduce the deployment time for mission-critical systems or some of the digital initiatives, very important that the organization focused more and more on validated architecture, blueprint based approaches, stack which are pre-integrated, pre-validated so that they can straight away out of the box start using at the digital initiatives, rather than building all of that from scratch and HCL has been supporting, helping, partnering with a lot of its customer organizations to do and achieve this and they have seen phenomenal results with the points that have mentioned so far that could also be about the software defined Investments or in Network space that would make their IT more agile. And finally, they should rethink some of their BCP plan as well. It has so far been only on the operational processes side, but then how do you make sure some of these transitions to revenue shift models other revenue shifts? They are considered as part of BCP and once they trigger the BCP, some of these transitions should be more and more smooth.

Now what's important to consider is that most of this guidance can be applied to multiple sectors. I took an example of a few sectors due to paucity of time, but then this can be applied to any organization in any sector. Now, these were the IT strategies or some of the considerations the businesses can leverage to prevent themselves from over investing or under investing in certain areas and lastly IT would continue to evolve in terms of solutions, processes, renewed needs of the organizations, there will be out of the box solutions that we will get as part of this pandemic time, please have some buffer kept in your strategies to accommodate some of those out of the box Solutions very important for that.

So with this, I believe we've come to the end of the podcast. I would just want to say that we remain humble, we remain considerate and we remain dutiful of the needs of our customers and the world only then can we fight the way through this virus as an Enterprise and as humans. Technology is just a tool but empathy is something which will help us fight this pandemic and come out of it much more effectively. That's it for today. Once again, this is Gaurav Sharma and thank you for your time. Have a good day. Stay safe. Stay healthy. See you in another podcast.