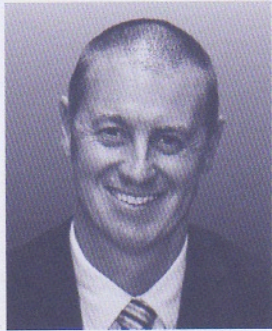


Digital literacy in the age of digital disruption



By Justin Davies GAICD
Member since 2006

Is digital literacy today as important as financial literacy?

Many business sectors are under threat from digital technology and the disruptive business models that this technology enables.

Smart, competent directors are worried that they are adding less value to decision making than they otherwise would because they don't fully understand the prospects or exposures of the digital space. Yet they are obligated to keep pace in order to fulfil their obligations in setting strategy, policy and managing risk.

The fastest growing companies have innovation including technology at their core.

The digital disruptors that are affecting organisations are:

- Cloud computing
- Mobile everything
- Social everything
- The internet of things
- Big data

Cloud computing

Cloud computing is about the shift from ownership to renting. It is also about capacity to rapidly access and trial solutions without long procurement cycles.

Directors should be aware that Cloud computing can significantly reduce costs, increase flexibility in remote working and allow for greater innovation.

Cloud is about agility and cost efficiencies.

Risks to be managed include:

- data security (external dependence)
- rapid adoption of cloud services without involving IT. What critical company data is kept outside of the organisation?
- retention of data

Mobile everything

We seem to be unable to disconnect from the net - even for short car journeys. Just stop at any traffic light and watch people on their phones checking social media, sms and emails.

Google has created a car that drives itself allowing passengers to ignore the road, and be fully engaged with their mobile phone.

Companies have to work out how to integrate their applications, websites and mobile apps together with their face to face interaction.

The volume of purchasing decisions and actual purchases being made from mobile phones is around 40% and accelerating.

Social media is the one area that directors are typically most uncomfortable with particularly when balancing rationale with risk.

Social media

The power that social media offers is the ability to understand customers cost efficiently, obtain real-time research information, communicate and engage stakeholders.

Younger generations are used to social sharing and connection. Many think that email is archaic and don't use it. How is your organisation responding to this both internally and externally?

Audiences today expect to be able to share content, information and discover useful IP through social media. They are disappointed when that isn't available - so much so that they would prefer to move to another company as it lowers their risk in engaging with yours.

Further social media and crowd sourcing means that we can leverage expertise beyond the four walls of our enterprise and extend to business and channel partners and providers.

Internet of Things (IoT)

The internet of things refers to the connection of devices, systems, services and applications to provide real time information and health checks.

Organisations can more easily monitor and manage infrastructure by adding mobile data communications leading

IoT collapses costs and drives innovation with ease

to significant savings in service and repair.

Prototyping and innovation becomes cheap as the huge six figure plus startup costs collapse and proof concepts are more easily attained with chipsets from \$25 to \$100.

Research indicates the more than 30 billion devices will be wirelessly connected to the IoT by 2020. The question is are you planning for this in your strategic thinking.

Big data

Quite simply, Big data is a collection of large and complex data sets that collectively can offer more accurate analyses that lead to more confident decision making.

Real time business analysis can provide insights based on the always on, always connected, proliferation of devices and data sources.

This is where big data is different - it is real-time and brings together disparate data sets for business intelligence.

Businesses can take advantage through real-time tactical adjustments across the organisation including marketing, support and product maintenance. ®

About Justin

Managing Director of Emergination and recently chaired the Australian Institute of Company Directors' Digital literacy in the age of digital disruption event in Perth.

He is running digital briefings and bootcamps for directors in conjunction with Maryanne Fernando of Brand One.

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