

THE NEED FOR DIGITIZATION IN THE BOARDROOMS OF CORPORATE INDIA

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From Silicon Valley to Hyderabad

Over the last four decades, goliaths of the tech industry have found India to be their home away from home. India's geographically and economically significant presence within the Asian sub-continent coupled with the country's position within the emerging world markets has proven to be a draw for a multitude of world-class startups and renowned brands to set up operations here. Having initially moved to Bengaluru, India's own version of the 'Silicon Valley', today, companies like Facebook, Microsoft and Google have found a newer home in Hyderabad located in Andhra Pradesh. This just proves the significant opportunities that exist in the Indian market for tech industry growth and prosperity.

So, why India?

While the rise of India as a tech savvy nation is highly exemplary, it is also important to realize that such feats do not happen overnight, nor by chance or coincidence. As Michael Porter, a world-renowned economist stated, "a nation's competitiveness depends on the capacity of its industry to innovate and upgrade"¹. His belief is based on how a nation can gain a competitive advantage by interlinked factors of a firm structure, strategy and rivalry with demand and factor conditions together with related and supporting industries. Similarly, the Indian hotbed for world-class infrastructure is created atop carefully adapting and ever growing corporate cultures, firm strategies, related supporting industries and constantly improving factor conditions. This is coupled with continuous innovation and a focus on succeeding and being ahead of competition. Reapplying the comparative model, one can also witness how in addition to the global sensations, the domestic firms are also equally striving hard to stay on top of the fierce competition, while mimicking global efficiency trends.

The biggest take away from this phenomenon is the significant collection of corporations belonging to two major sets (originating both globally and domestically) willing to make whatever changes necessary to optimize their business performance and gain higher positions within their competitive sphere.

Slow Change seen in Corporate Culture and Structure

Despite the country encouraging and becoming home to tech giants and leading the way for tech innovations, adoption of technology in home grown corporates, particularly in the upper echelons tends to be slow and reluctant. The in-bound global corporations thriving in India have organically inherited collaborative corporate cultures and practices from their parent entities. However, the corporate culture sand processes of Indian originating companies, tech-based or not, tends to have difficulty in adapting to the changing technological environment. Research has revealed that Indian-based companies are built on stringent, non-collaborative hierarchical corporate structure, which hinders innovation and timely adaptation of changes in the external environment. Yet, domestic corporations have recognized the need for more collaborative,

fluid and dynamic corporate structures and cultures. This has resulted in many corporates changing their entire business models to adapt to rapid globalization and technological development. Still, change to the management style to foster innovation is only reluctantly accepted, and the culprit are the senior management due to their reluctance to change the management decision-making process.

Only a Matter of Time... Boardroom Level Adoption is Around the Corner

However, it is believed that this reluctance is only temporary. Having been open to change business models to foster innovation and adapt technological advancements, corporate India and their leaders will soon find a way to push past these barriers to build successfully innovative companies of tomorrow. The Indian market's unique competitive dynamics together with its core competencies, exceptional standards offered for user services, and the high quality of produced good/services will bring in the idea of change to all levels of employees – from the office assistant to as high as the Board of Directors. Still, the question which remains, Will the same level of efficiency and productivity be reflected at the boardroom-level as well?

The answer surprisingly is 'No' in most cases. Studies have implied that even international firms, let alone Indian firms, are yet to fully optimize boardroom decision making through digitization^[5]. However, this is not a result of boardsen countering difficulties in gaining access to digital data, it is that they most often use less unified and efficient methods of information gathering and dissemination. Furthermore, most companies were found to base corporate-level decisions on manually analyzed and summarized versions of digital data.

While most corporate executives might turn a blind eye on such relatively primitive and seemingly harmless practices in today's digitalized arena, the same views of leniency are not shared by scholars and industry experts. In fact, the information senior management utilize to make decisions directly impacts the success of organizational goal achievement, and subsequently the overall direction and sustainable operations of the company. This thought is taken to a higher level by Stefanie McCann, Editor of Connected Futures, where she states, "*Everybody in the boardroom needs to be a digital leader. Anything less is mal-governance.*" This is tied to the explosion of digitalization that has evolved businesses and how they operate, and the dynamism which has overtaken the external operating environments. Furthermore, talking about digitalization at the boardroom level is inadequate, the most senior business decision makers and drivers of organizational strategy must embrace digitalization to be able to swiftly respond to the highly dynamic market conditions that prevail in complex markets such as India.

Given the current stance of the Indian market as explained above, it is apparent that companies belonging to both sectors are exploiting all possible avenues of improvement and effectiveness. In such a scenario, it

is just a matter of time till companies realize that forces of efficiency should also propagate to the boardroom; in fact, they should *start* at the boardroom. After all, if the highest level of management is not on-board with digital changes, then implementing such changes across the company becomes an even bigger challenge than it already is.

However, the first step of this change is to acknowledge the power of digital disruption. Understanding that gaining an upper hand in both domestic and international competition requires the shedding-off of the old and ineffective methods and adopting the new and modern. Nonetheless, if the current trajectory of the Indian market has taught us anything it is that the Indian corporation is no stranger to intense competition, and even swift market adaptation through business model re-invention and re-organization. In addition, we have also witnessed the changes in Indian corporate culture – how it has grown over time to acknowledge the need for better collaboration, dynamism and faster decision-making practices. Thus, it is also now imperative that the Indian boardrooms become a part of these changing trends and adopt the efficient and impactful forms of digitization to improve dynamism in board-level decision-making while taking the boardroom to the digital era. This will not only pave the way for the ultimate success of digital adoption by Indian corporates but will also deliver greater value to stakeholders in the longer term.

Finding the Solution

While aspiring to a fully integrated, comprehensive digitization that extends to all aspects of the boardroom decision making processes and activities is relatively easy, implementation is another matter. Whereas people and companies are aware of digital transformation and its impact on business and have to some extent adopted and accepted these changes, the real challenge is in the extent of digital information adoption in boardrooms. In addition, some inherent limitations of board members such as limited technical skills and know-how, and their views of latest technology being a 'fad' also deter wholehearted adoption of digitization in boardrooms.

Furthermore, many companies including SMEs tend to heavily rely on highly digitized streams of data at the operational levels but turning this data into re-synthesized information to a boardroom-specific context is problematic with a disconnect in flow leading to boardrooms being provided with very simplistic and traditional information without a comprehensive true view of what the data turned to information means. As boardrooms still rely on traditional forms of receiving information, consideration must also be given to inaccuracies in the manual synthesis of data resulting in flawed decisions being made. Similarly, in the case of an MNC, if different models are employed during the manual synthesis in different regions, ultimate boardroom-level decisions would be highly inaccurate leading to a devastating impact on business operations. As such,

a critical prerequisite for any viable boardroom digitization initiative should be organization-wide seamless integration, real-time synchronization and accurate updating of data stream.

In recognition of this critical gap in boardroom operations, a few tech vendors including BoardPAC have stepped up to cater to this important nichesegment. Notably, many of these available solutions take the form of "C-Suite software" which is an assortment of interrelated software solutions specifically targeted at providing invaluable capabilities within boardroom contexts. While the number of vendors within this sphere of boardroom software development is limited, the number of diverse features provided to the market is quite impressive. However, regardless of specific technologies and vendor specializations, all boardroom digitization initiatives in the market seem to be built around a few fundamental tenets: total transparency, simplification of processes and instant data driven insights. These commonly recurring tenets are another combined effort to ensure misrepresentation of data does not occur at the boardroom level leading to costly and reputation damaging issues for companies. For instance, the characteristic of total transparent is tackled by ensuring the centralization of the organization's data most commonly through cloud storage, to a "single source of truth". Thus, changes originating from various sources (even from geographically dispersed regions), will still be accurately and consistently reflected within all data systems.

BoardPAC, a multinational board meeting automation solutions provider, introduced a digitization initiative with a variety of beneficial attributes which focus on a simple, secure, easy-to-use and sustainable board communication application for boardroom meetings. This refreshingly newiPad enabled software is based on the user experience and convenience of board members. The primary focus of this software is to allow digitization in boardroom meetings whereby documents, reports, presentations and other pertinent information is digitally delivered to board members who can in turn review and amend meeting agendas, look at participant lists, make written and voice annotations in documents and obtain digital approvals.

So, while there is still much to be done and a long way to go, corporate India is on the right path in the adoption and acceptance of boardroom digitization. While the country may be one of the front runners in the adoption of digital technology in general terms, with some concentrated efforts, a change in attitude and acceptance, the boardrooms of India have the potential to become a leading force in driving boardroom digital transformation.

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