

A group of people are gathered on a sandy beach at sunset. In the foreground, a woman with short dark hair is smiling and playing a djembe drum. She is wearing a patterned skirt. Behind her, a man is standing with his arms raised, and a woman is standing with her back to the camera, wearing a wide-brimmed hat. To the right, a woman is sitting on a stool, playing an acoustic guitar. The sun is low on the horizon, creating a warm, golden glow. A yellow semi-circular graphic is overlaid on the left side of the image, containing the text.

Exponential “Digital” Transformation

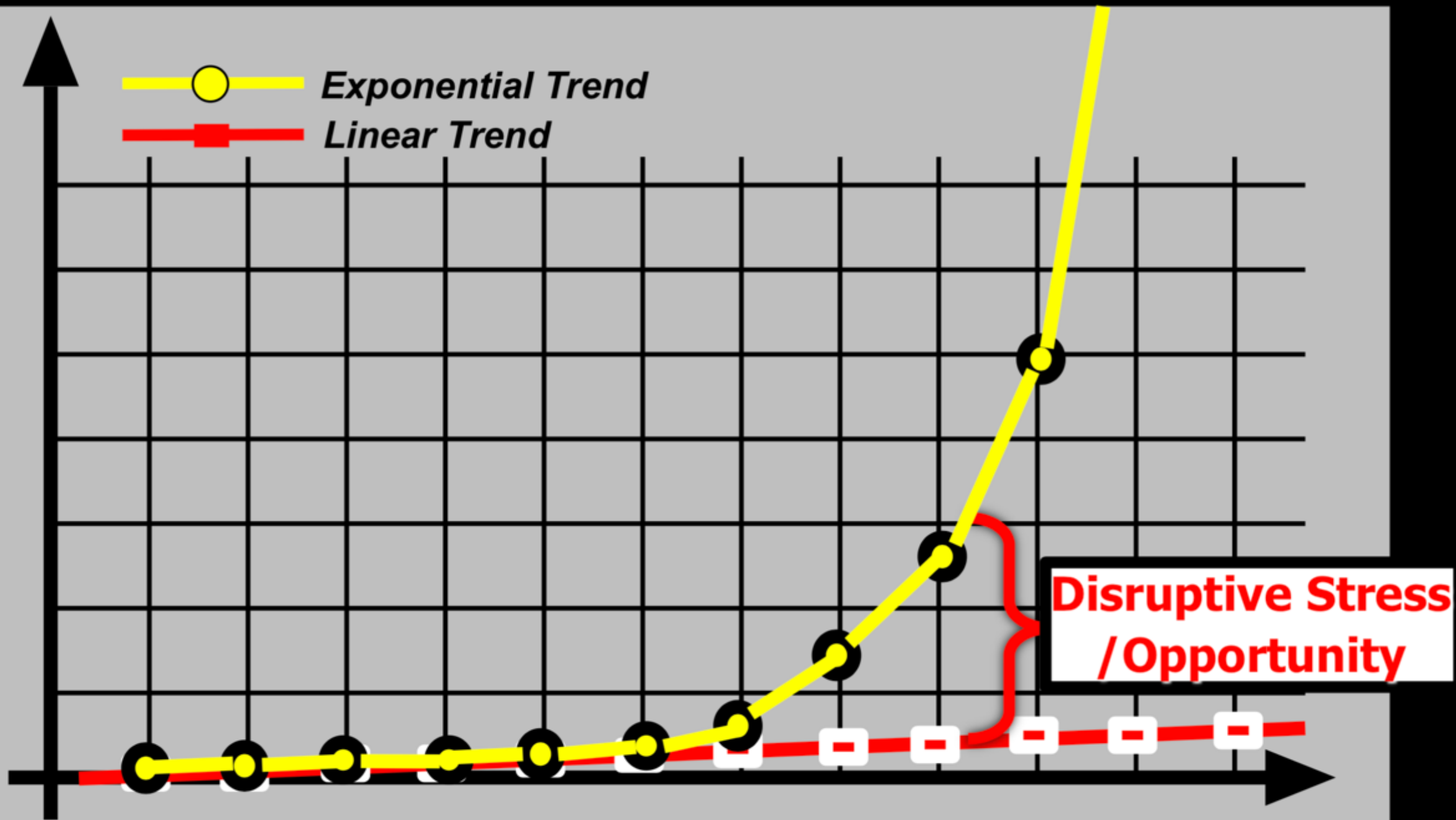
by David Gilarranz
CDO MTN Group

5th Annual Ministers ICT Summit
October 15th 2018





We are living during the
most extraordinary time in
human history
EXPONENTIAL + GLOBAL



LINEAR



EXPONENTIAL



1996

MarketCap: **\$28B**

Employees: **140,000**



2012

Bankrupt

Employees: **17,000**



April 2012

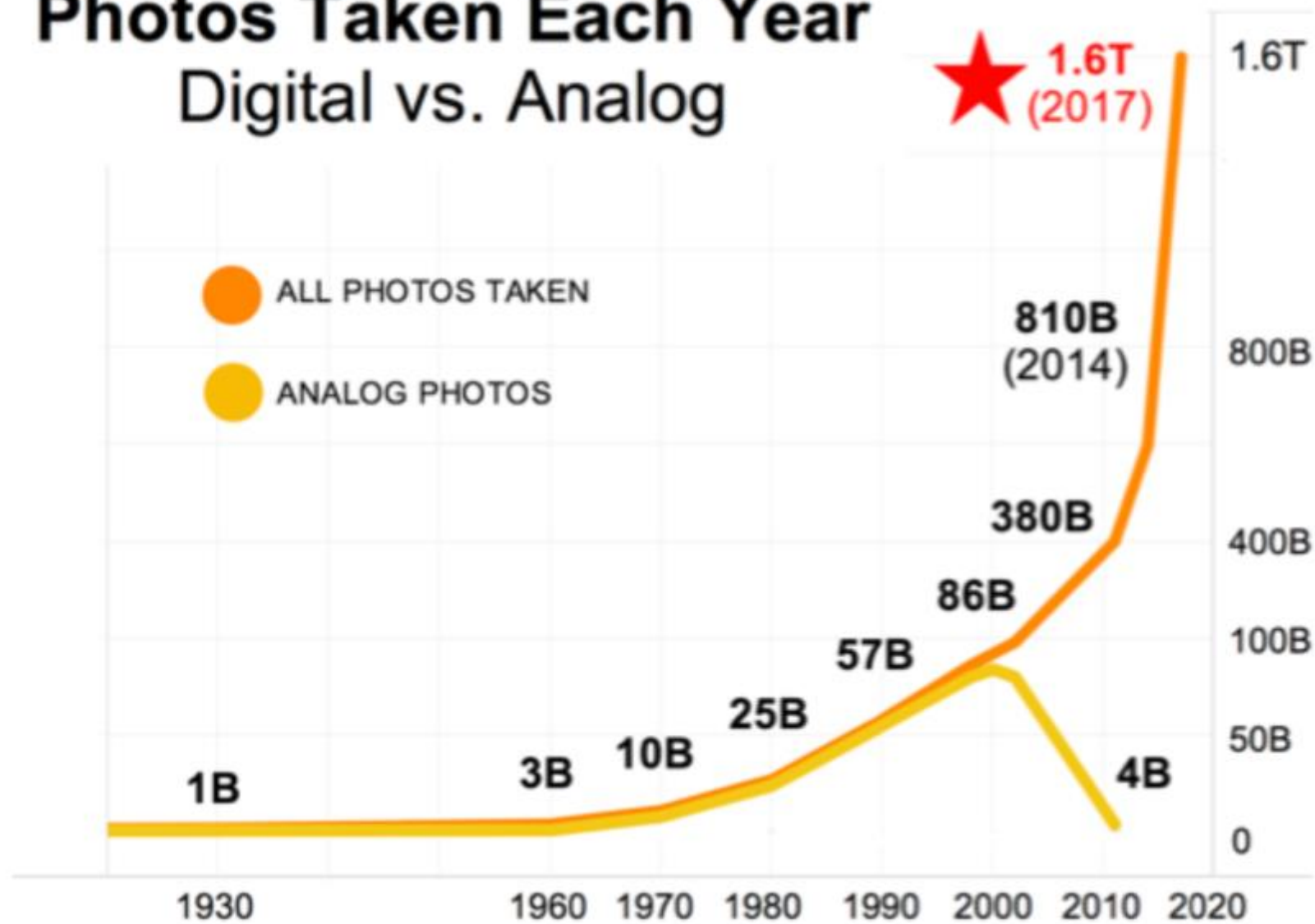
MarketCap: **\$1B**

Employees: **13**

“The New Kodak Moment”

Photos Taken Each Year

Digital vs. Analog





\$100 BILLION

1 BILLION

**INSTAGRAM VALUE SKYROCKETS TO
OVER \$100 BILLION, REACHING 1 BILLION
MONTHLY ACTIVE USERS IN JUNE 2018**



HOW FAST CAN THINGS CHANGE?

<u>COMPANY</u>	<u>VALUE (2006)</u>
sears	\$14.3B
JCPenney	\$18.1B
NORDSTROM	\$12.4B
KOHL'S	\$24.2B
★macy's	\$24.2B
	\$28.4B
 TARGET	\$51.3B
Walmart 	\$214.0B
	\$17.5B

Source: Yahoo Finance
& visualcapitalist.com

HOW FAST CAN THINGS CHANGE?

<u>COMPANY</u>	<u>VALUE (2006)</u>	<u>VALUE (2016)</u>	<u>% Change</u>
sears	\$14.3B	\$0.9B	94%
JCPenney	\$18.1B	\$1.7B	90%
NORDSTROM	\$12.4B	\$7.7B	38%
KOHL'S	\$24.2B	\$7.1B	71%
★macy's	\$24.2B	\$7.1B	71%
	\$28.4B	\$18.4B	41%
 TARGET	\$51.3B	\$31.7B	38%
Walmart 	\$214.0B	\$243.9B	15%
	\$17.5B	\$474.4B	>

Source: Yahoo Finance
& visualcapitalist.com

New Business Models & Ecosystems

Faster,
Cheaper,
Cloud tools
& Computer
Power

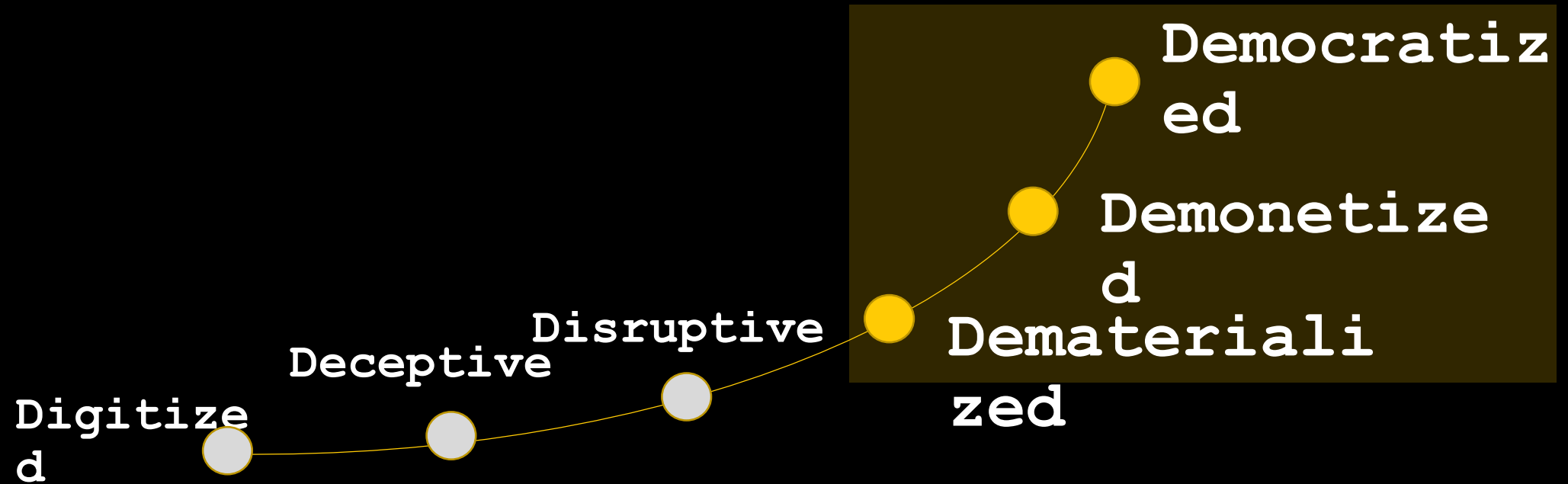


Networks &
Sensors
Synthetic
Biology
Robotics
3D Printing
VR & AR
AI
Blockchain



New
Business
Models &
Ecosystems

Exponential Transformation Framework



A man with curly hair, wearing a light blue shirt, a grey jacket, and large black headphones, stands amidst a chaotic pile of electronic equipment. He holds a video camera in his right hand and a boombox in his left. The equipment around him includes a VCR, a CD player, a cassette player, a calculator, and various boxes and manuals. The background is dark, making the colorful electronic devices stand out.



● Demonetization



Tax ~~Fleets~~



Book ~~Stores~~



Long ~~Distance~~



Research ~~/Libraries~~



Classifieds



Hotel ~~Chains~~

● Democratization

Cost to Launch an “Internet Tech Startup”

5M

Costs of Creation in US\$

500k

50k

5k

2000

2005

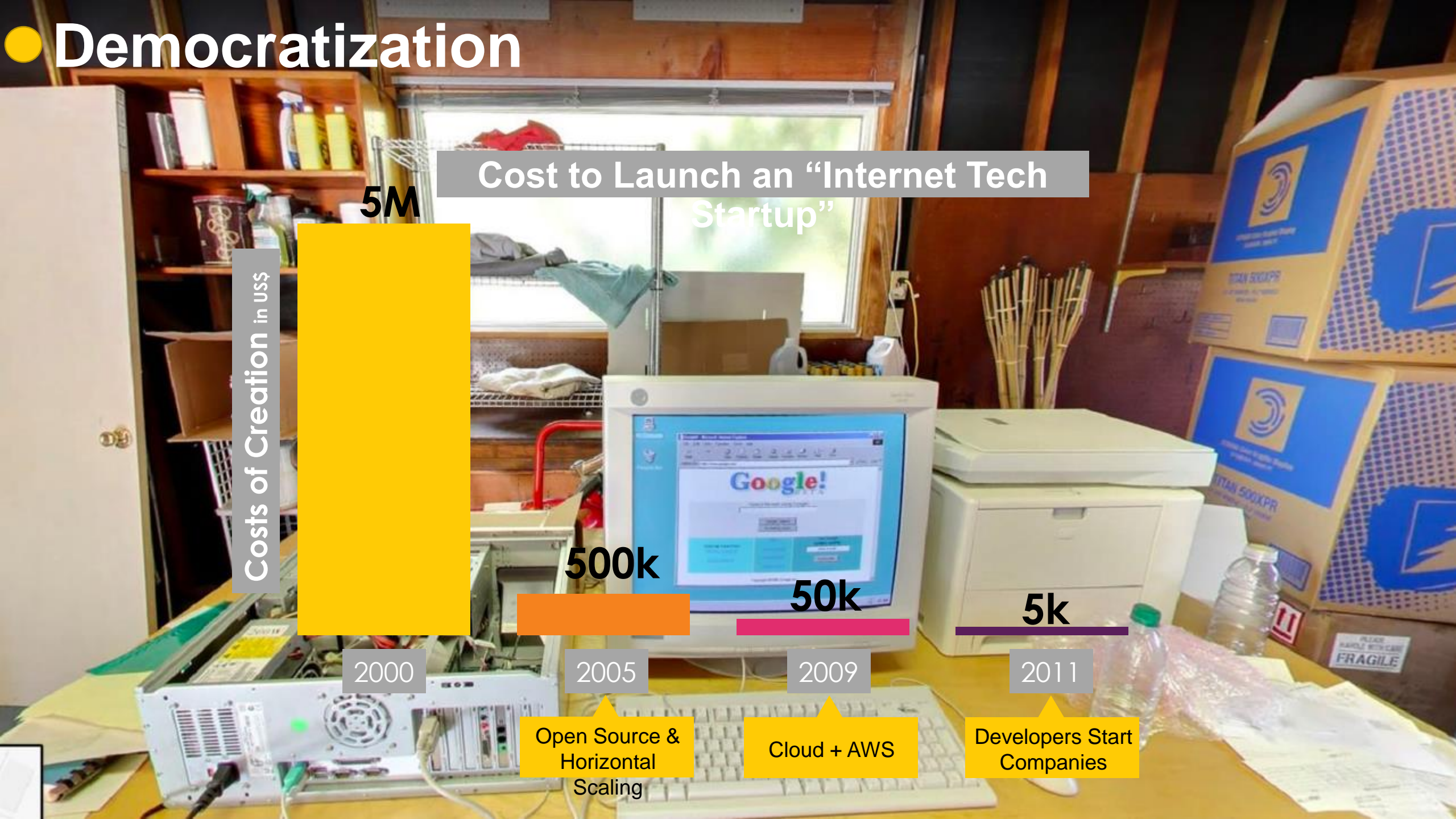
2009

2011

Open Source &
Horizontal
Scaling

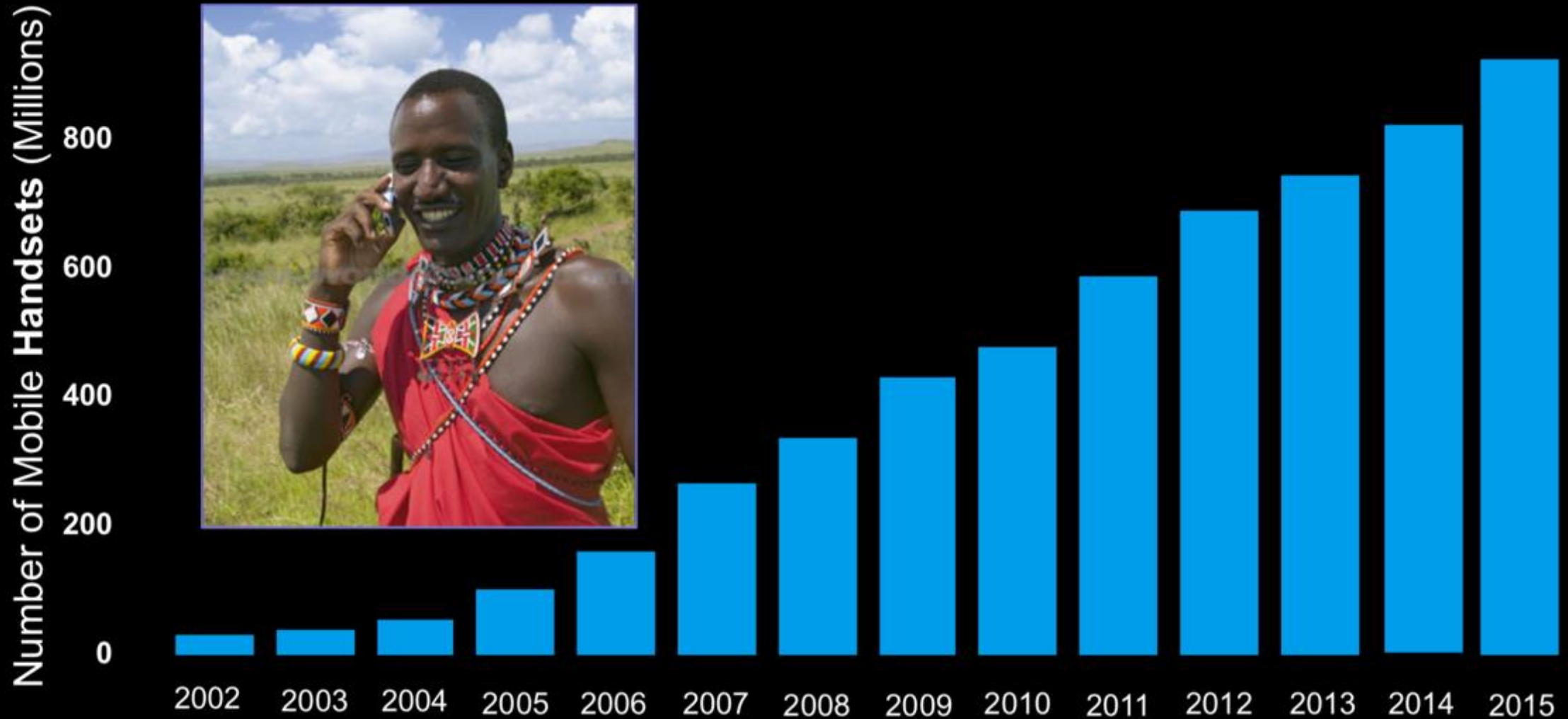
Cloud + AWS

Developers Start
Companies

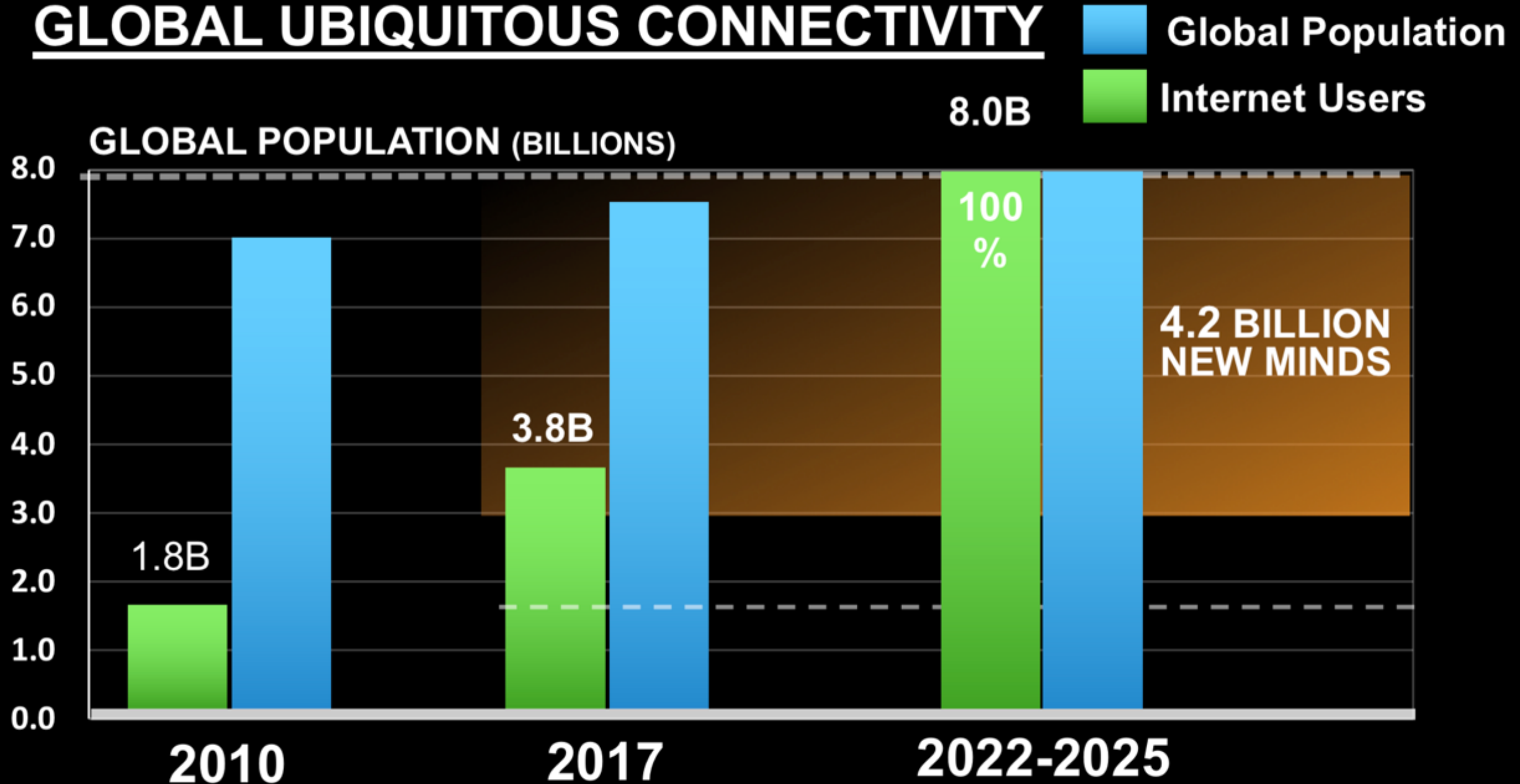


● Democratization

African Mobile Phone Growth: > 1B in 2017



GLOBAL UBIQUITOUS CONNECTIVITY



What will 4+ Billion New Minds...

create

discover

consume

desire

invent

...Tens of trillions of annual PP

...Greatest period of Innovation (ever)

... and it is starting now

AFRICA

625M Unique Users

50% Mobile Internet

39% Smartphone Penetration

▲ **23%** YoY Smartphone Growth

INDIA

731M Unique Users

58% Mobile Internet

41% Smartphone Penetration

▲ **28%** YoY Smartphone Growth

Digital “Social” Transformation Lessons from India

▶ Develop a
national digital
identification
system

▶ Invest in building –
and sharing –
digital
infrastructure

▶ Take a targeted
approach
towards skills
development



Lessons from India



► 1. Develop a national digital identification system

Having a digital identity is the very basis of functioning in a digital economy. It is a key enabler of access to government benefits, cross-border authentication, digital payments and e-commerce growth.



Lessons from India



▶ 2. Invest in building – and sharing – digital infrastructure

Several large-scale initiatives have developing India's digital infrastructure at their core.

- The 'Digital India' programme, for example, has brought internet connectivity to 250,000 gram panchayats (village councils) in rural India by laying optical fibres across the country.
- The government also granted a Unified License for Mobile Virtual Network Operators (MVNOs). Unlike mobile network operators (MNOs), MVNOs do not have their own infrastructure; instead they 'share infrastructure' with established telecom providers who have excess network capacity. Each MVNO then sells services, such as data for internet, at its own price.



- ▶ Kenya recently granted three MVNO licenses to offer mobile money and data services, resulting in a 8.2% increase in internet subscriptions in the first three months of this year.

Lessons from India



3. Take a targeted approach towards skills development

In 2015, India set up the National Skill Development Policy to provide an overall framework for all skills-related activities within the country, to link them with skill-demand centres and to align them with common standards. A key aim is to improve attitudes to technical and vocational educational training (TVET) through awareness campaigns and introductory certificates in education.

Thanks

david.gilarranz@mtn.com

