Digital Transformation in **Trade and Finance Sectors** in the GMS

July 2024

ABeam Consulting®

Build Beyond As One.

Table of Contents

Key Drivers of
Digital Transformation

Success Factors in DX

Divided into 28 aspects

| Dimension	1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis
Aspect	1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
	1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
	1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
		2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
				4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
				4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

Success Factors
in DX

Divided into 28 aspects

Dimension	1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis
Aspect	1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
	1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
	1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
		2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
				4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
				4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

Example case: **WHA Group**

Since the 2010s, WHA Group **has driven 32 DX projects in 2023:**

- Digitalizing internal processes
- Developing green logistics ecosystems and Green-certified buildings
- Technologies being explored include IoT, smart warehouses, data analytics, and quantum computing for route optimization

Success Factors
in DX

Divided into 28 aspects

Dimension

1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis

Aspect

| 1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis
1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
	2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
			4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
			4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

Success Factors in DX

Divided into 28 aspects

	1. Transformation On leadership	**2. DX Vision & Strategy**	**3. DX Awareness and Culture**	**4. Organization capability to keep executing DX**		**5. Technology, Data Management & Analysis**
Aspect	1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
	1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
	1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
		2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
				4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
				4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

Example case: **Central Retail Corporation Public Co. Ltd.**

Aligning corporate strategy with sustainability goals (SX) and investing a 450-million-baht in 2022 for the Business & DX team:

- Synergy for Innovation
- Pioneering Better Living
- Creating Purposeful Opportunities

Promoting Innovation and Cultural Transformation Through Training and Process Redesign

Success Factors in DX

Divided into 28 aspects

	1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis
Aspect	1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
	1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
	1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
		2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
				4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
				4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

(Row label: Dimension)

Example case: **True Corporation Public Co. Ltd.**

Building Organizational Capability for **Digital Transformation**:

- Cultivating DX talent
- Reshaping its organizational structure
- Integrating cloud and AI technologies
- Enhancing employees' digital capabilities
- Preparing for a future workforce
- Digital Workforce Development

Success Factors
in DX

Divided into 28 aspects

Dimension	1. Transformation On leadership	2. DX Vision & Strategy	3. DX Awareness and Culture	4. Organization capability to keep executing DX		5. Technology, Data Management & Analysis
Aspect	1-1 Top management ownership of DX promotion	2-1 Design DX strategy that is aligned with corporate vision and strategy	3-1 Understanding level of the necessity of change and acceptability for change	4-1 DX project management	4-7 Ability to create value for customers	5-1 IT architecture preparation
	1-2 Leadership of DX promoter	2-2 Investment and resource allocation for DX	3-2 Culture to promote innovation	4-2 Ability to make decision in agile way	4-8 Ability to design business	5-2 Business application preparation
	1-3 Building consensus among major stakeholders	2-3 Market insight	3-3 Knowledge about digital technology and case and DX strategy design know-howデジタル	4-3 Ability to build a flat, compact and highly variable organization	4-9 Ability to define / select the values that underlie co-creation	5-3 Infrastructure preparation
		2-4 Awareness about business sustainability		4-4 Ability to build core operations that are labor-saving, automated, and accelerated	4-10 Ability to share resources and assets to realize value	5-4 Integrated platform preparation
				4-5 Human resources policy / training / recruitment system	4-11 Cooperation between diversified parties	5-5 Cyber security level
				4-6 Ability to design ideal organization	4-12 Value chain coordination	5-6 Data management & Analysis

Example case: **Central Pattana Plc.**

Executing Digital Transformation through **Data Management** and **Analytics** started at least around 2022:

- Digital Customer Experience: E-wallet payment options, Line application, and digital directories
- Digital Services for Tenants and Residents: All-in-one platform
- Infrastructure and Customer Analytics
    - Big Data Utilization
    - Cybersecurity Measures Includes a working group on cybersecurity and PDPA, updates to the Disaster Recovery Plan (DRP), and exploring ISO 27001 standards

Digital Transformation
Framework

Digital Transformation

Framework

Q2 Value Chain Transformation

Q4 Establishing a Competitive Advantage

Q1 Internal Process Improvement

Q3 Product/ Service Transformation

Model transformation

Process transformation

Business Process Efficiency Improvement (Cost Reduction)

Customer value improvement (sales expansion)

Digital business platform (platform that supports digital business process)

Business Model Transformation (Monetization)

Digital Supply Chain (Business-to-business Collaboration)

On-site Improvement (Business Process Efficiency / Business Process Quality Improvement)

Product + Service Expansion (Service Quality Improvement / New Service Addition)

Digital Transformation
Organization Model

Digital Transformation Organization Model

Management

Transformation team

Business leaders

General employee group

① Team mono-lithization by executives

② Form a strong transformation team

③ Even the business leaders are monolithic as a team

④ Develop transformations for general employees in each business

Division A Division B Division C Headquarters and others
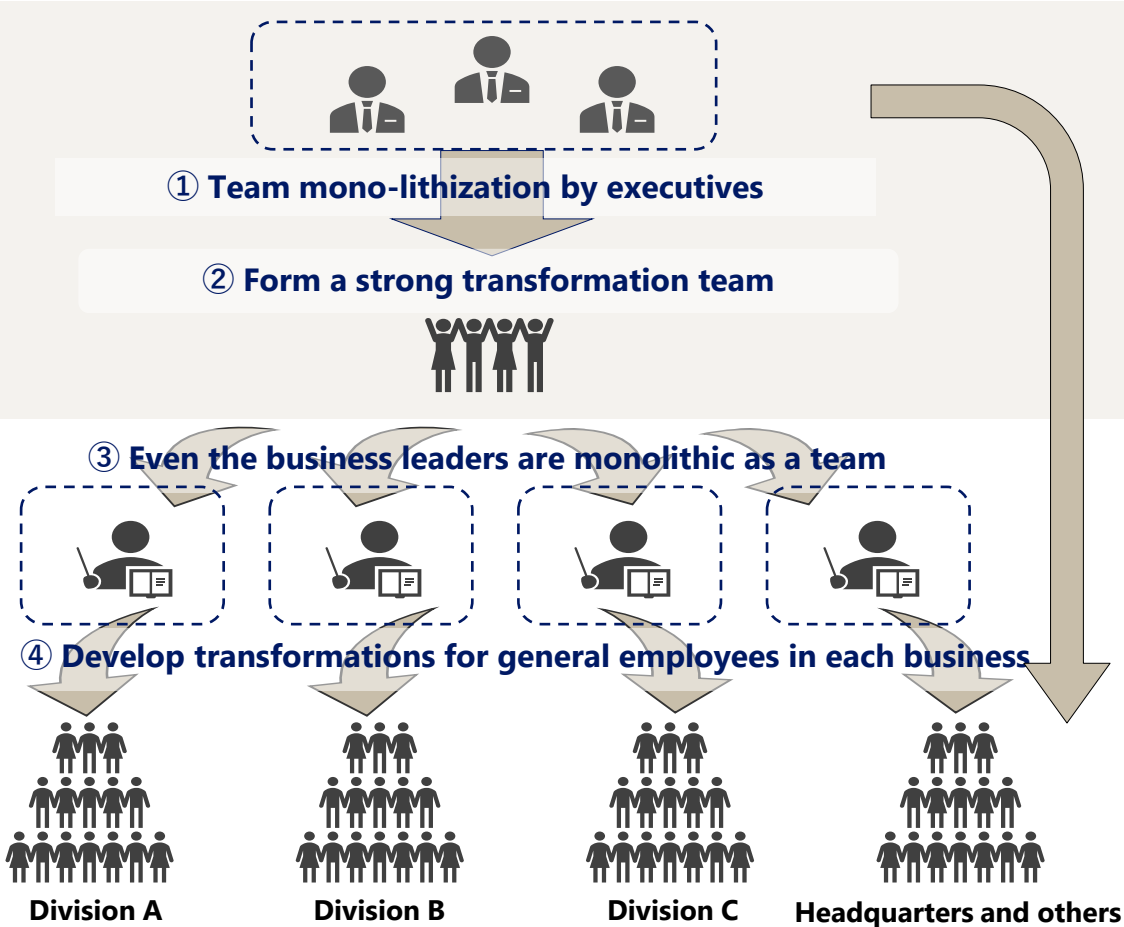
Monolithization of the core management team.

↓

Renewal of action guidelines, WAY.

↓

Strengthen direct dialogue with general employees (quick response).

↓

Buildup DX capacity

High-Level
Organization Structure

To establish a cross-sectional organization to promote DX and implement the functions needed to strengthen the capability to change.

Management

DX Promotion Organization

Department A

Department B

Department C

...

DX Theme ①

DX Theme ...

Plan and promote the company-wide DX vision and strategy as the company-wide DX owner

| Decision Making | Adjustment | Advice | Information sharing |
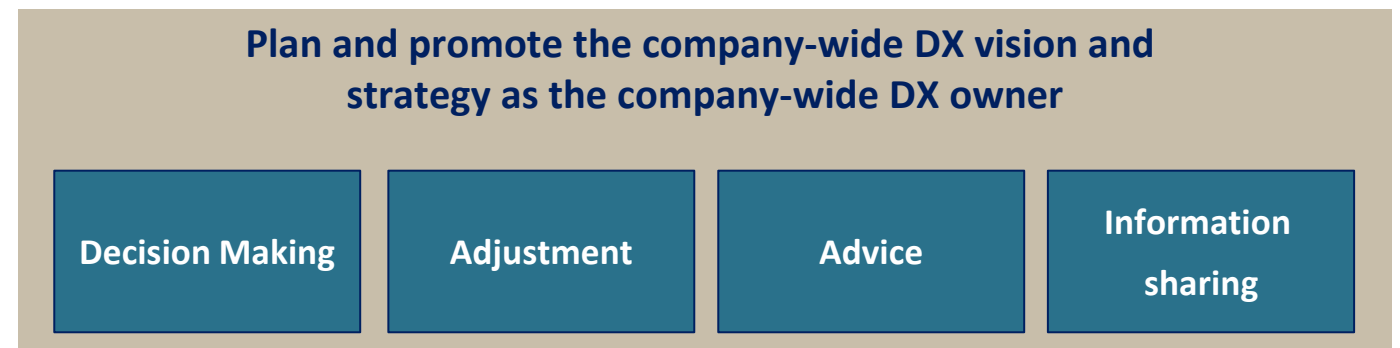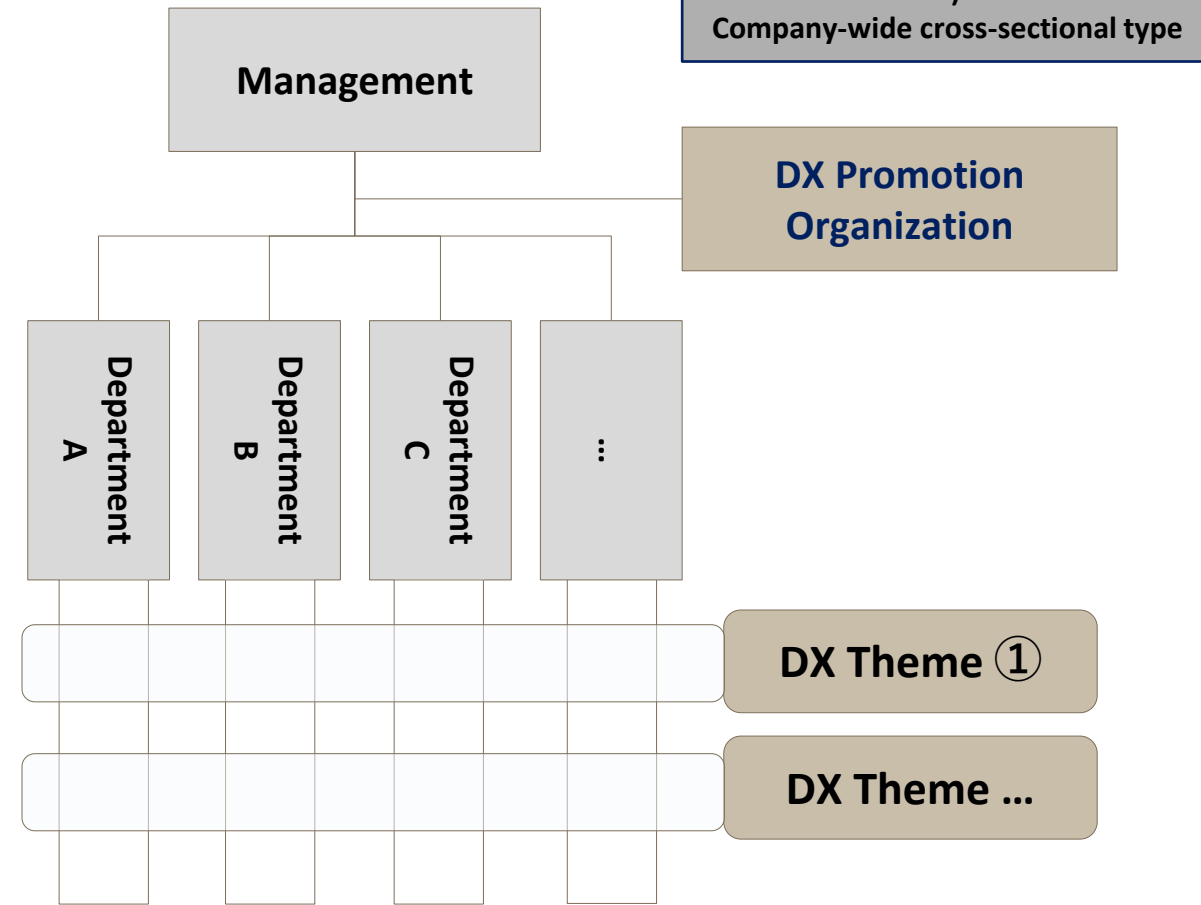
Other cases of DX Organization Structure

Organization System	1) Company-wide cross-sectional type	2) IT organization intensive type	3) Business dept/ func compatible type	4) Full-time company type
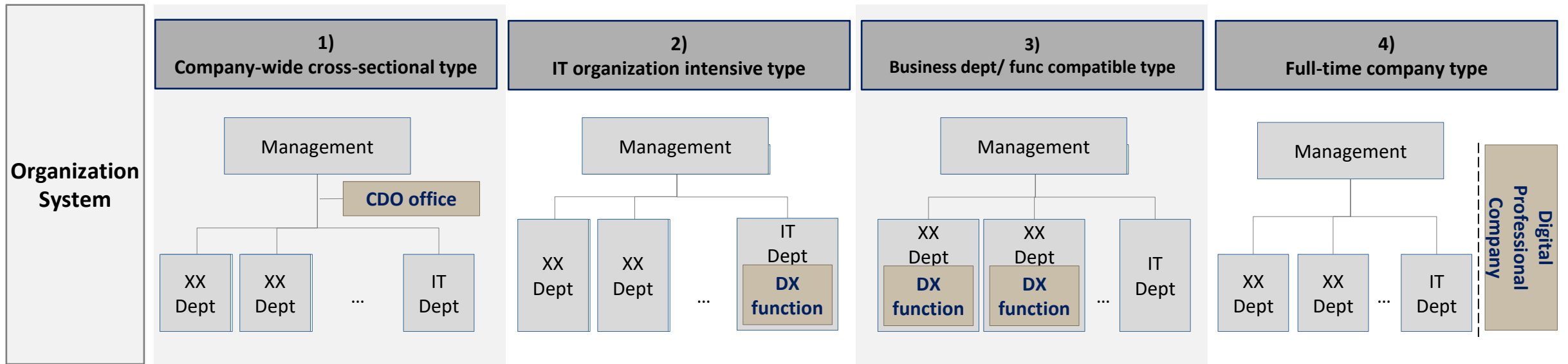
Background

✓ Each headquarters is working on DX, but the effect is limited

✓ IT know-how such as IT infrastructure already exists to some extent, and IT exerts a great influence when incorporating DX technology.

✓ The DX image required by each departments are significantly different

✓ It is necessary to promote DX quickly by utilizing the know-how of IT companies.
✓ Expected to provide IT solutions to the outside in the future

Use Case in
E-commerce and Fintech Sectors

Use Case in E-commerce and Fintech Sectors

E-commerce

- Focused on mobile-centric shopping experiences
- Integrated social features that resonate with local consumers

- Leveraged Alibaba's e-commerce expertise to enhance product offerings and logistics

- 80% of e-commerce GMV in Southeast Asia is imported, largely from China, highlighting regional digitalization trends

Fintech

- Utilizes in-house AI and machine learning for automated loan underwriting and approval

- Provides digital unsecured lending solutions for the underbanked in Thailand

Example case: **Shopee and Lazada**

Digital strategies:
- Shopee's success is attributed to its **mobile-centric shopping experiences** and **integration of social features** that resonate with local consumers

Digital strategies:
- Leveraging Alibaba's e-commerce expertise to **enhance product offerings** and **logistics**

"Both platforms provide an **end-to-end online shopping experience** with payment solutions, digital wallets, tailored promotions, flash sales, and aggressive campaigns featuring deep discounts and free shipping."

Example case: **SCBX**

> MONIX, a joint venture between SCB Bank and Abakus Group, focuses on **expanding digital lending** in Thailand with quick, paperless loans using alternative data for the underbanked

SCB ABACUS

- **Focus:** leveraging in-house technology (AI and ML)
- **Product:** MoneyThunder, a digital lending application
- **Technology:** Utilizes in-house AI and machine learning for automated loan underwriting and approval

MONIX

- **Focus:** Provides digital unsecured lending solutions for the underbanked in Thailand
- **Product:** FINNIX application, offering instant loans using only alternative data, without paper documents or guarantors
- **Technology:** Relies on AI-driven processes for quick loan disbursal based on alternative data

Key Challenges Facing for Organization and Company in the GMS

Key Challenges for Organization and Company

01 Talent & leadership

02 Political strategy & stability

03 Economic strategy & commitment to investment

04 Starting at market size

Top 10 Countries with the most Unicorns		
Country	# of Unicorns	Population, 2023
India	**68**	**1,428,627,660**
China	**144**	**1,410,710,000**
United States	**594**	**334,914,900**
Brazil	14	216,422,450
Germany	26	84,482,270
United Kingdom	46	68,350,000
France	29	68,170,230
Canada	21	40,097,760
Israel	26	9,756,700
Singapore	13	5,917,650

Recommended Solutions to Digital Transformation in the GMS

Recommended Solutions to Digital Transformation in the GMS

Generative AI

Financial Institutions

1. Fraud detection	5. Bankruptcy prediction
2. Algorithmic trading and high-frequency trading	7. Behavioral analyses through sentiment analysis
3. Portfolio management	8. Regulatory compliance
4. Credit decisions based on credit scoring or credit approval models	6. Risk management

E-commerce B2C & B2B

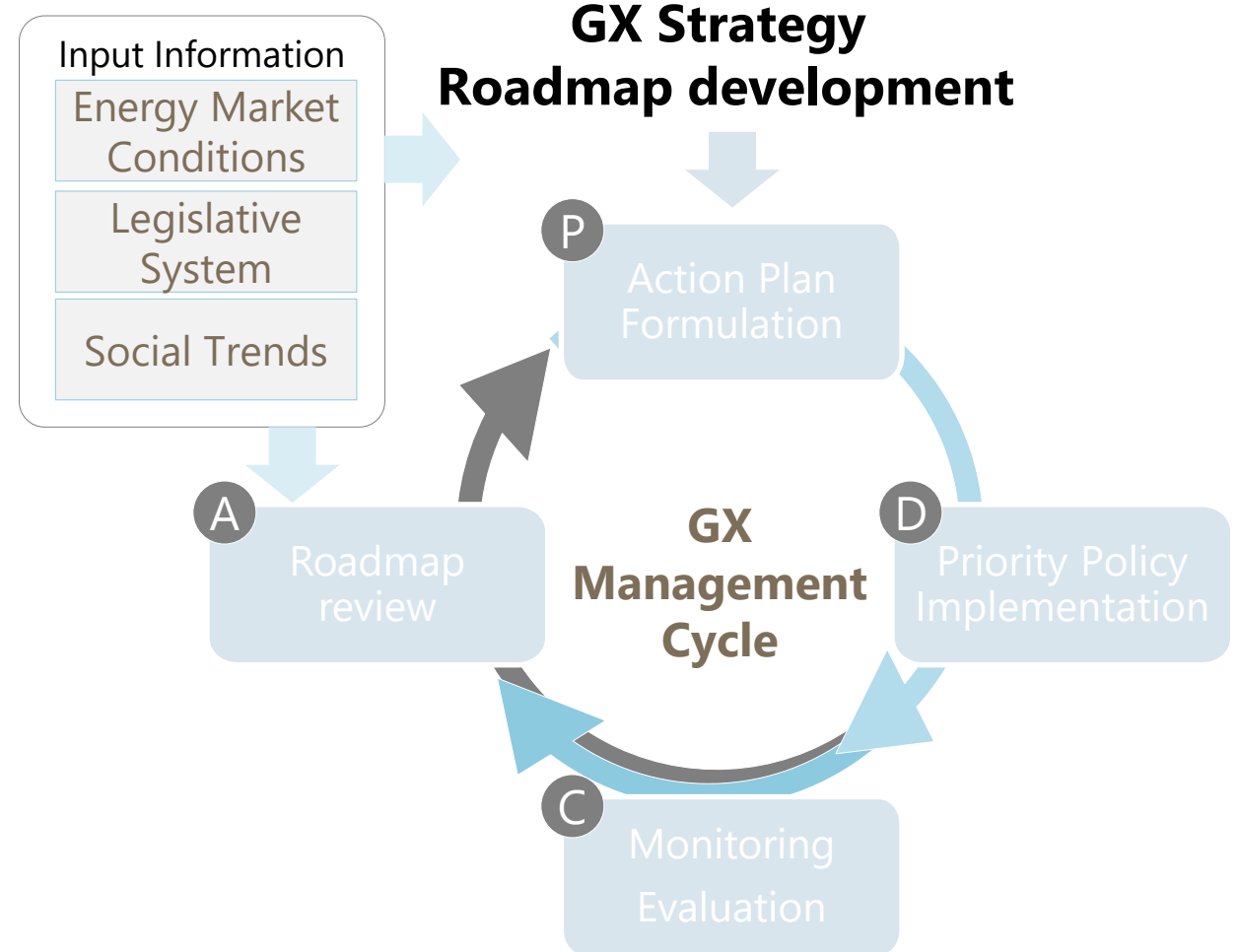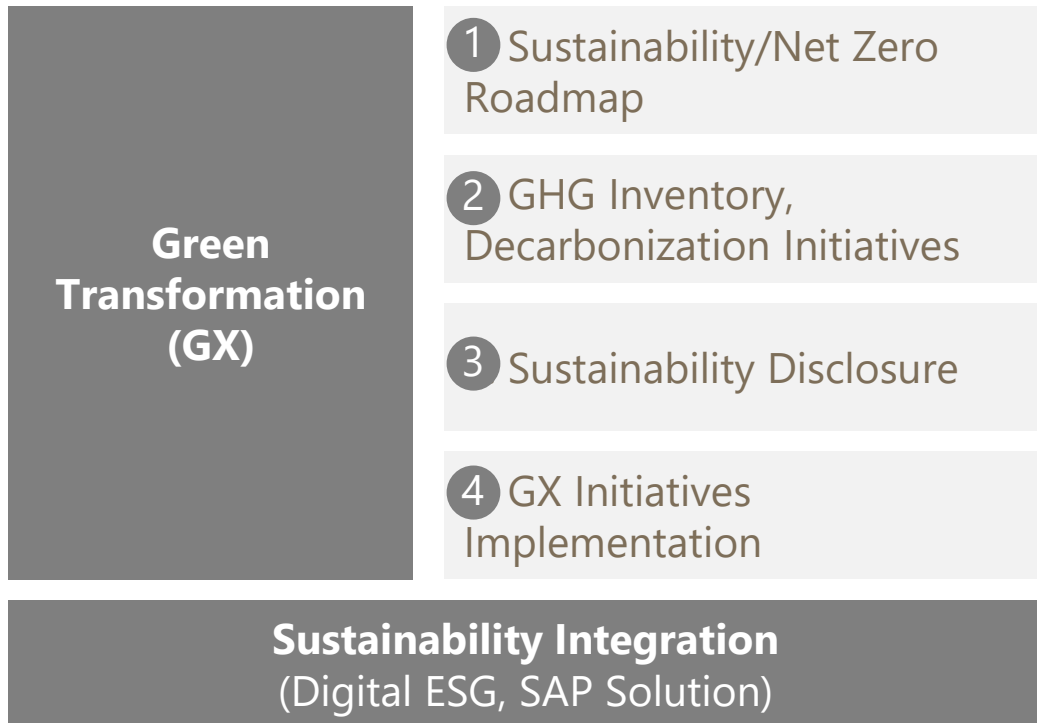|	
1. Personalization	4. Inventory Management
2. Customer Service	5. Fraud Detection
3. Supply Chain Optimization	

SX
Sustainability Transformation

ABeam Thailand Service Offering for Sustainability/Green Transformation (1/2)

Advancing sustainable transformation in Thailand, we leverage our expertise and professionalism to drive organizational value in sustainability.
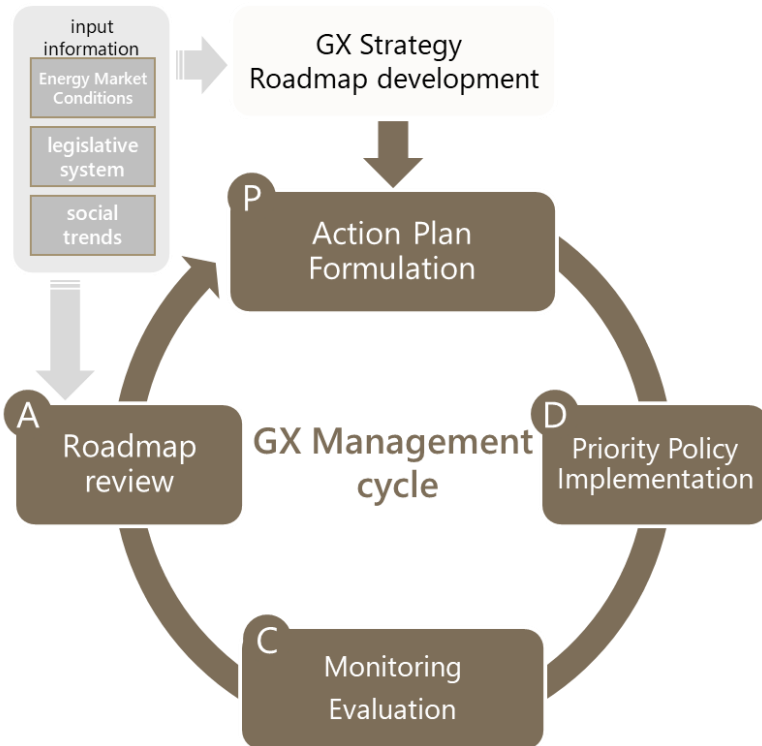
Sustainability Transformation Services
(GX Transformation+ Sustainability Integration)

Green Transformation (GX)

① Sustainability/Net Zero Roadmap

② GHG Inventory, Decarbonization Initiatives

③ Sustainability Disclosure

④ GX Initiatives Implementation

Sustainability Integration
(Digital ESG, SAP Solution)

Input Information
- Energy Market Conditions
- Legislative System
- Social Trends

GX Strategy Roadmap development

GX Management Cycle

- P — Action Plan Formulation
- D — Priority Policy Implementation
- C — Monitoring Evaluation
- A — Roadmap review

ABeam Thailand Service Offering for Sustainability/Green Transformation (2/2)

To support our clients along Sustainability/Green Transformation journey, ABeam offers consulting services following the PDCA (Plan-Do-Check-Act) within the 'GX Management Cycle.'

This begins with the GX Strategy Roadmap, followed by Solution/Implementation Support, and Corporate Value Alignment.

Green Transformation (GX) Management Cycle

(1) Maturity assessment and GX strategy roadmap development and review

P A

- **Sustainability Maturity Assessment** to define organization readiness and required improvement
- **Support for development/review of GHG reduction roadmaps** (Scope 1, 2 and Scope 3) and Initiatives Implementation plan

(2) GX Management Support

P D C A

- **GX Management Tool (GHG visualization/analysis tool)** with Cloud-based solution for Quick Win implementation in alignment with SET/TGO report requirements

(3) Support for GX monitoring linkage with corporate value

C

- **SAP Sustainability Solutions** and integration with legacy data for steering monitoring and tracking on Green Transformation progress and KPIs
- **ABeam Digital ESG Platform** leverages non-financial information such as ESG and SDGs to facilitate data-driven management, thereby enhancing corporate value and promoting sustainable practices.

ABeam
Consulting®

Build Beyond As One.