

# 4 predictions for tech's role in Africa



11 Jan 2022

The past year proved that the only certainty in our world right now is further uncertainty and change. With the world in flux due to the impact of the pandemic, the growing influence of digital technologies in every facet of our lives, and the increasingly visible impact of a changing climate, most business leaders are operating in an environment of rapid and near-constant change.



Cathy Smith, managing director at SAP Africa

But the past year has not been without its lessons. Our work with customers across Africa and the world has revealed several vital learnings and provide a glimpse into what we can expect in the year ahead.

My predictions for the year ahead include:

## Prediction 1: Digital transformation will continue (but with new rules)

Last year moved the value of digital technologies to the top of every business leader's agenda. Those organisations that had already invested in digital transformation could adapt more quickly and with greater resilience to the changes forced on us by the pandemic.

In 2021, organisations continued their digital transformation efforts, with remote and hybrid work models as well as digital customer engagement high on African enterprises' agendas.

In 2022, organisations will ramp up their investments into digital technologies, but with one significant change: the days of large, lengthy, difficult and costly technology implementations are largely over. In their place is a new, more accountable model of engagement between organisations and their technology partners.

Technology providers will need to shift attention away from pure quarterly sales targets to a longer-term view of sales and performance. Customer engagements should focus less on products and features, and more on developing a deeper understanding of each customer's challenges and building trust over the longer term.

This change will put pressure on tech providers and their implementation partners, as it requires fundamental changes to their operating models as well as new skillsets.

### Prediction 2: We will all be leaders in the fight against climate change

With the Earth now 1.1°C warmer than it was in the 1800s, countries and individuals face a mammoth task in changing course and bringing the world on to a more sustainable path. The IMF estimates the cost of adapting to climate change in developing countries may reach \$300bn by the end of the decade, while productivity losses due to heat stress reducing total working hours potentially leading to a global GDP cut of \$2.4tn by 2030.

While it is encouraging that more business leaders are directly addressing sustainability - the topic is now 44% more common in corporate earnings calls than three years ago - what is urgently needed is action.

SAP believes nothing less than a complete reinvention of the global economy will be required to create a world that stays within the 1.5°C threshold and so limits the damage of climate change.

Every organisation can choose to be an exemplar and drive change through exhibiting behaviours and making decisions that put sustainability front and centre, for example by becoming carbon neutral. This form of climate leadership can inspire others and pave the way to a more equitable and sustainable future.

For a lucky few, including SAP, there is also the opportunity to be enablers, through the provision of tools, technologies and services that replace outdated and harmful business practices and power the circular economy.

SAP's Climate 21 software package, for example, allows our customers to measure and analyse the CO2 emissions directly associated with individual products they offer. Similarly Ariba, the world's largest business network with \$3.75tn in annual trade, can provide greater transparency in enterprise supply chains to enable organisations to make informed decisions over which suppliers prioritise sustainability.

## Prediction 3: Innovation will be crucial (but not in the way you expect)

The word 'innovation' usually conjures up images of the world's most ground-breaking companies, ones that invent products and services that create entire new industries, or new solutions that transform existing industries.

However, in 2022 a different type of innovation will be required. To meet our current and future challenges and deal with

ongoing uncertainty and disruption, organisations will need to embed a culture of innovation that cuts across the organisation and transforms how people think about the challenges and opportunities they face.

Organisations will need to drive innovation in how they work with their customers, in how they approach sales, in how they provide continuous support, and a myriad other ways.

Such changes will be difficult and could lead to further disruption, so business leaders will have to ensure they keep the business in balance while building trust internally and externally throughout the change process.

### Prediction 4: Our technology tools will mature to give us the best of all worlds

One of the common remarks we encounter in the boardrooms of Africa's leading enterprises is the concept of best-ofbreed. Organisations rightfully want to acquire the very best technology solutions to meet their needs and drive change and efficiency throughout the business.

Increasingly, business leaders are speaking of best-of-suite, which means choosing individual components of various different technology solutions and combining them in unique ways that are designed to deliver maximum value to the business.

In 2022, expect greater integration of technology solutions from different providers. For example, SAP's position as the leader in enterprise resource planning through our flagship S/4HANA solution makes us a natural choice for hundreds of thousands of global organisations.

In response to the demands from our customers, SAP has invested heavily in integration to allow our customers the freedom to integrate the solutions of their choice with any of our technologies.

#### ABOUT CATHY SMITH

Cathy Smith was appointed Managing Director of SAP Africa in March 2018. She is the first-ever female executive of an emerging markets market unit in SAPs history.

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