

ITUEVENT

# Accelerating Digital Transformation

*Building Vibrant ICT Centric  
Innovation Ecosystems*

Monday 19 March 2018  
Room C1, ITU, Geneva

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ITU REGIONAL INITIATIVE FOR EUROPE ON ICT-CENTRIC INNOVATION ECOSYSTEMS

## SESSION 2

## GOOD PRACTICES FOR ACCELERATING DIGITAL TRANSFORMATION

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UKE

Office of Electronic  
Communications



“Entrepreneurship without innovation is trading, and innovation without entrepreneurship is creativity”



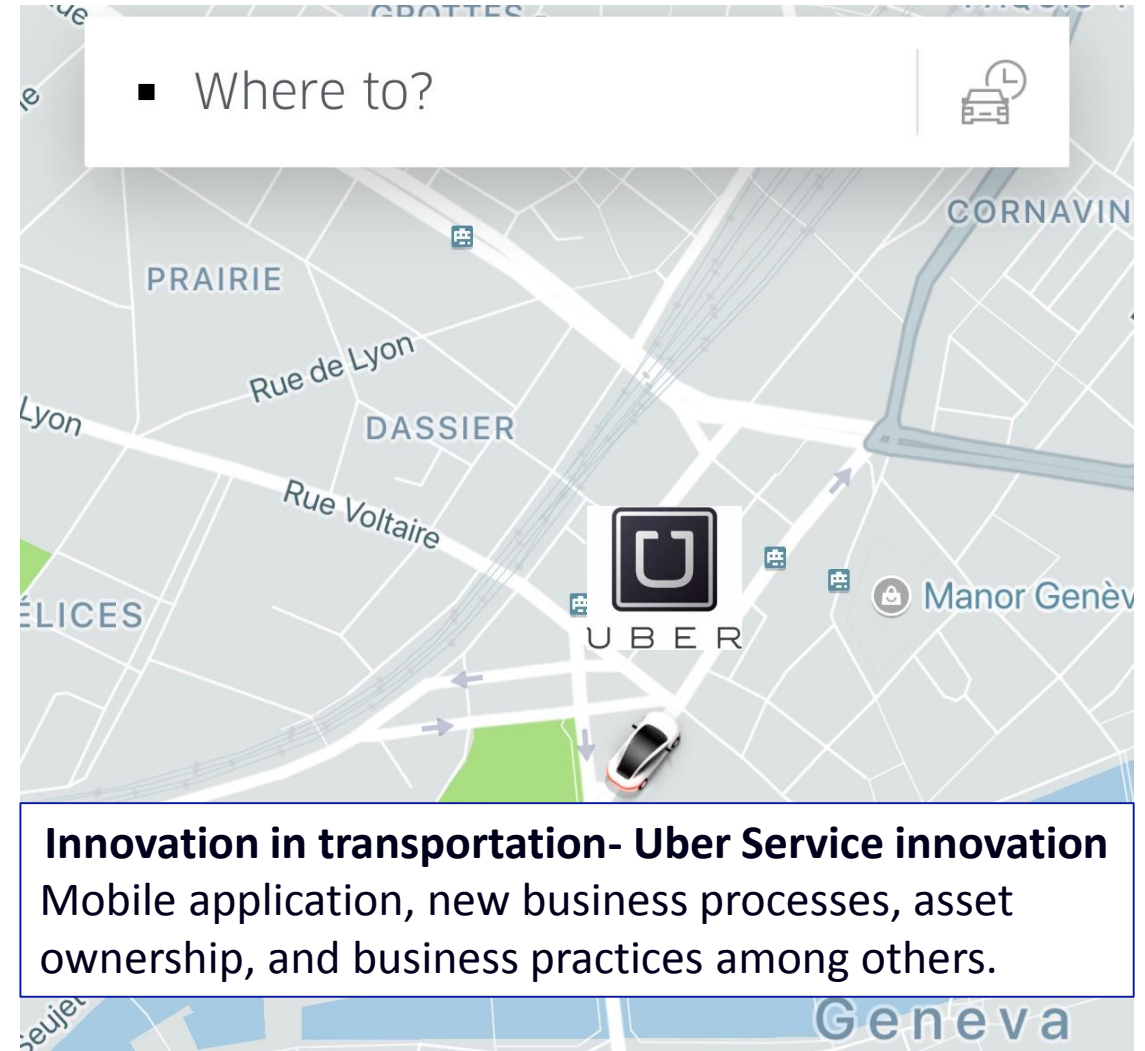


# What is an innovation?

“An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.”

Source: OCED, Oslo manual

ICT affects business models, mindsets, organizational structures, R&D, markets and networks, contributing significantly to GDP growth. ICT-centric innovation can thus have a significant impact on development



# What is digital transformation?

“Digital transformation is what happens when innovation is applied to solve problems through the use of ICT/telecommunication technology. The benefits to a country and its people are immense: significantly increased productivity, economic growth and greater employment opportunities.”

Source: ITU

The degree to which these benefits are within reach depends on the vibrancy of the ICT-centric innovation ecosystem and the long-term vision and strategy supporting it.



**Digital transformation in transportation**  
**Innovation applied** to solve a transportation problem, through the **use of ICT technologies**, led to **changes** in on demand transportation bringing significant value for customers and asset owners (car owners).

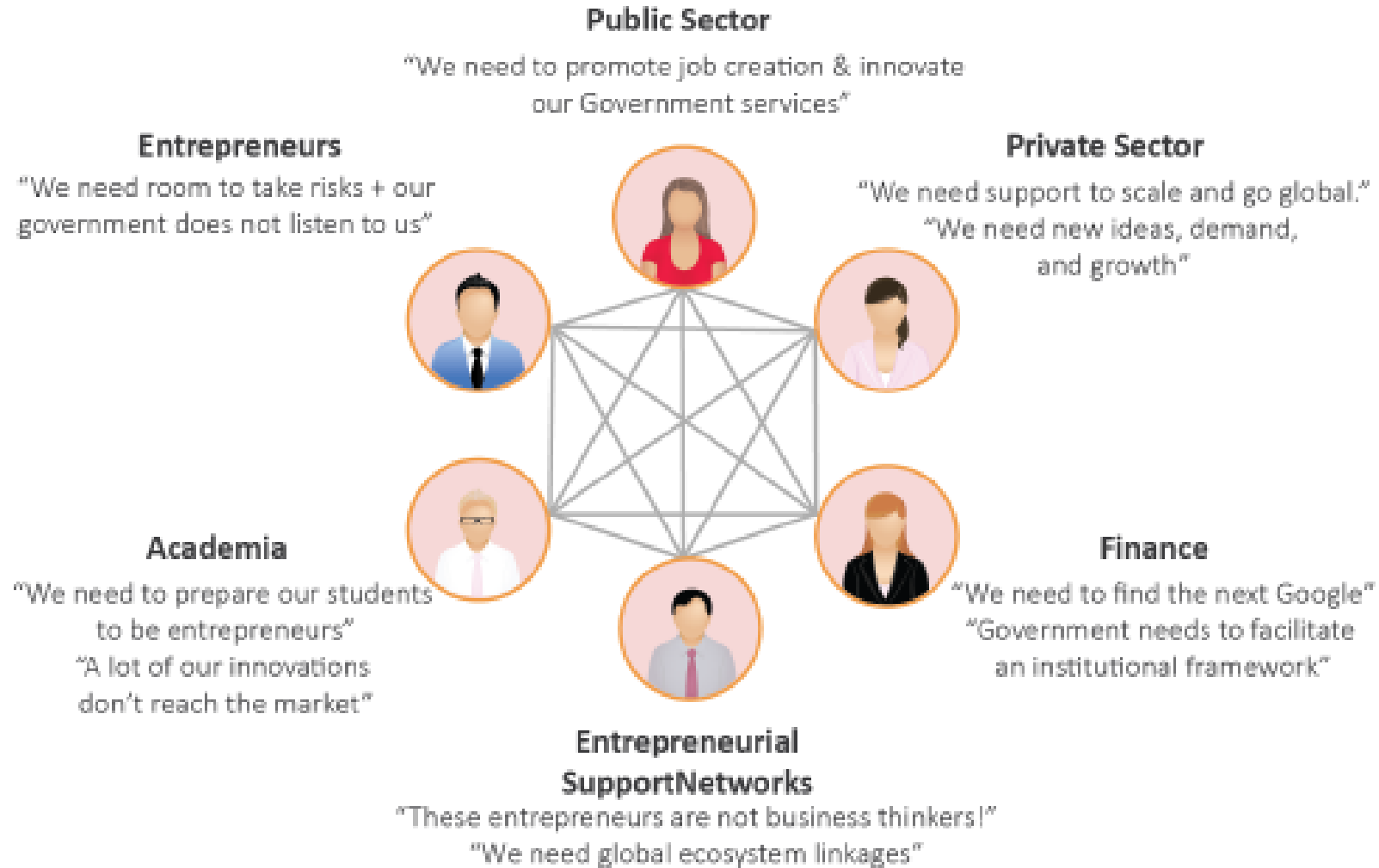
# Measuring digital transformation performance – multiple metrics

GOOD PRACTICES FOR ACCELERATING DIGITAL TRANSFORMATION



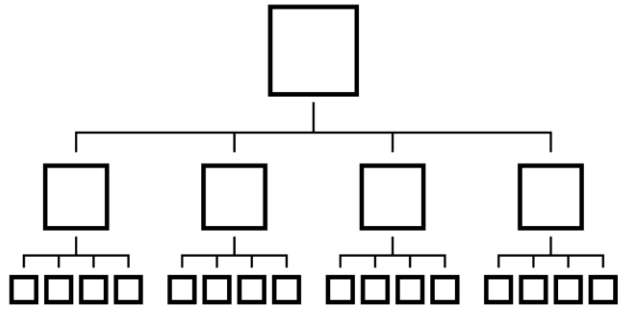
And more!  
But no measure of the systems dynamics

# Voices from the stakeholders in the ecosystem



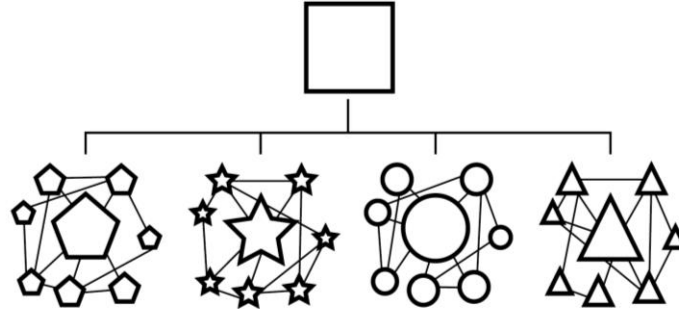


# Paradigm shift in the fast-paced ICT environment



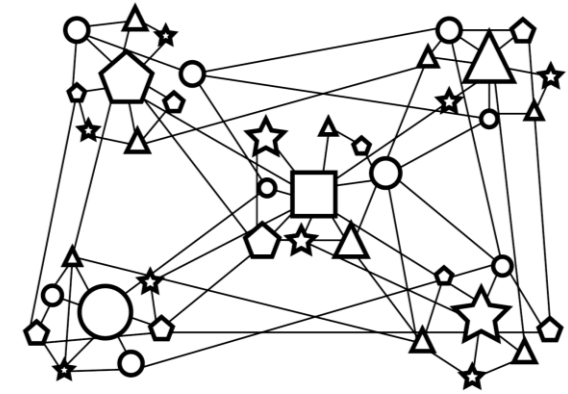
## COMMAND

Organizational relationship that is highly efficient but is not adaptive enough for the fast-paced ICT environment



## COMMAND OF TEAMS

Organizational relationship that is more adaptive but may not be efficient enough in responding to the fast-paced ICT environment



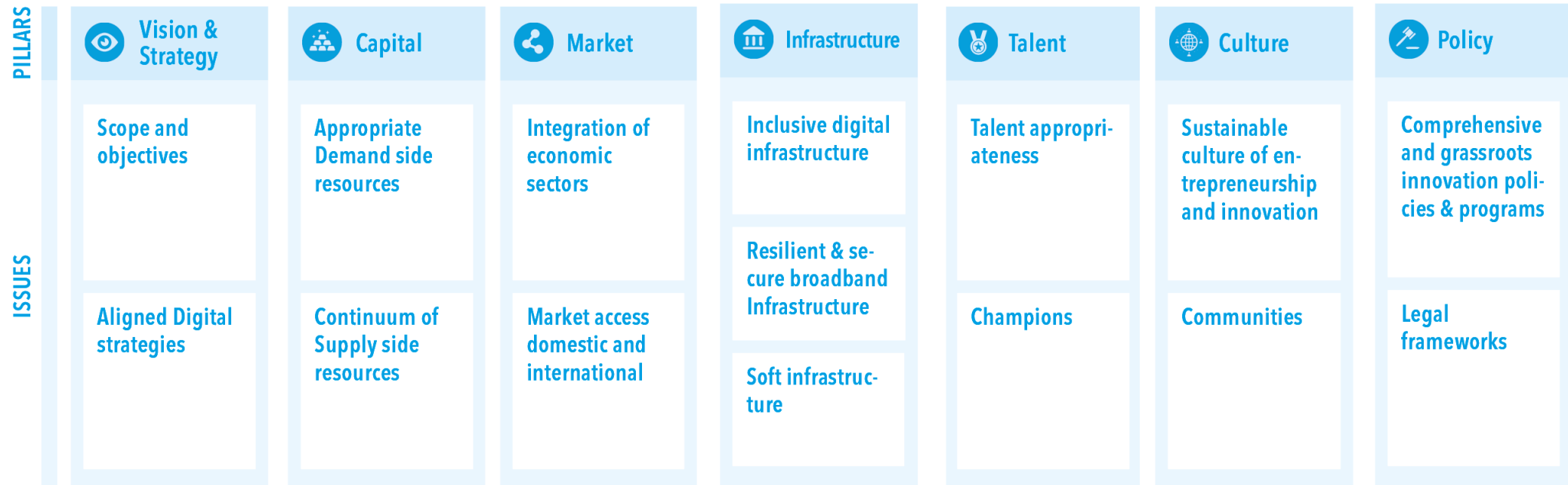
## TEAM OF TEAMS

Organizational relationship that is both highly efficient and adaptive to the fast-paced ICT environment

Source: ITU, based on concept of Team of Teams.

Creating competitive digital transformation capabilities will require a paradigm shift on the part of stakeholders and their institutions.

# What are opportunities and barriers in digital transformation?

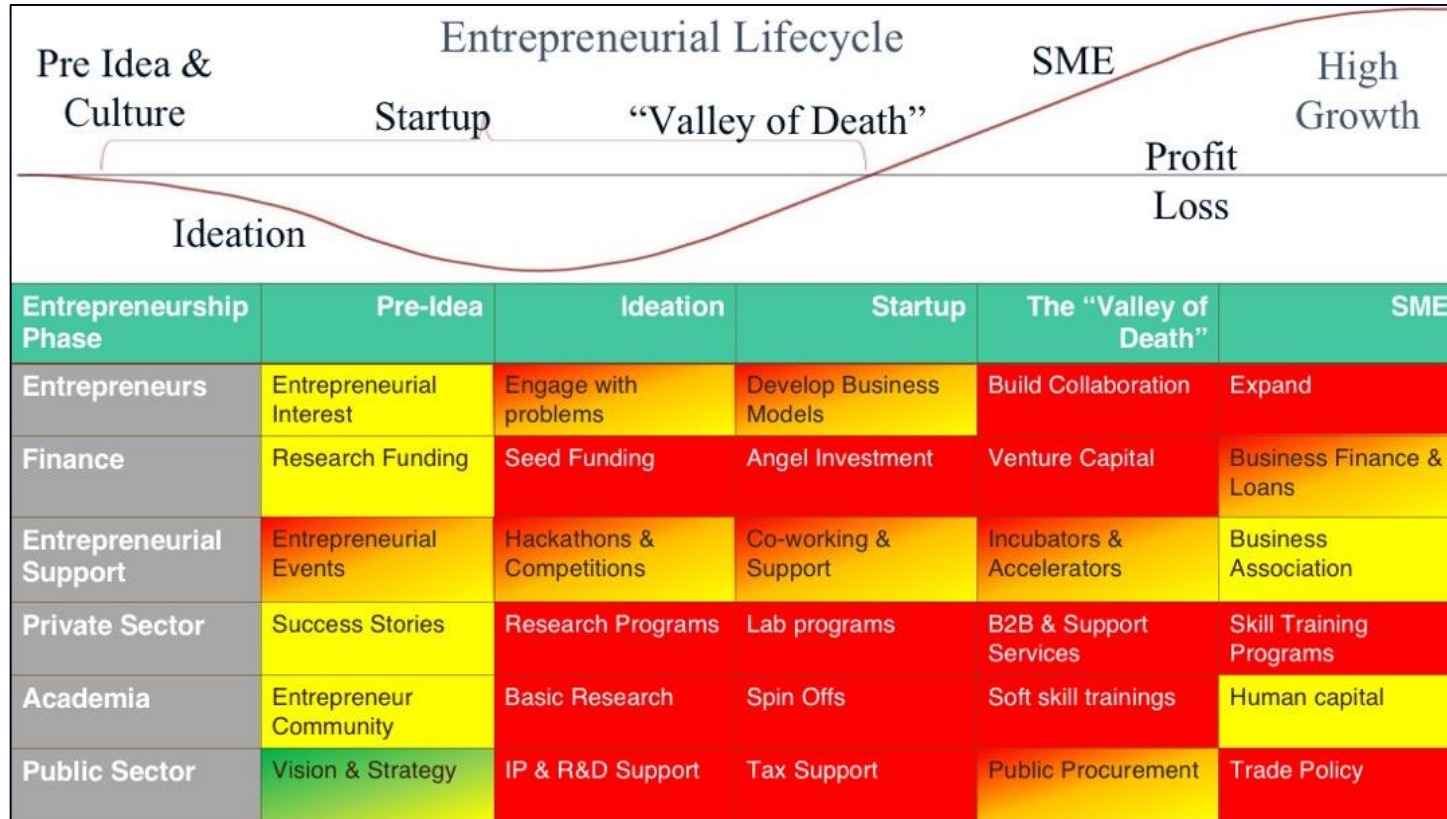


All stakeholders in the ecosystem need to understand their potential for making a difference, as well as their very real capabilities – as they engage in transformation.



# Need for good practices to support an innovation journey

Middle income country



## One global ecosystem – challenges of a copycat

- Application quality
- Extracting value from data
- Enabling value chain transformation
- Accessing skilled labor
- Protecting intellectual property

"Young people have some talents, they have energy. But it will burn out soon if that energy is not guided or supported to help build good companies" - Ecosystem stakeholder

# Key building blocks for accelerating digital transformation



Guiding  
Innovation  
Dynamics

- Is innovation "on the map"?
- How supportive of innovation is the general environment?



Building  
Innovation  
Capacity

- Is there an innovation infrastructure?
- Is that infrastructure sufficiently well developed?
- Is it the right infrastructure to enable the ecosystem to grow sustainably?
- Does the infrastructure support, encourage and inspire innovation?



ICT Integra-  
tion into  
Key Sectors

- Is innovation integrated?
- Is ICT innovation integrated across key sectors?

PRACTICE

## Business Finland – “an accelerator of global growth”

In January 2018, merger of Tekes (Finish funding agency for innovation) and Finpro (internationalization, investment and tourism promotion agency)

• Name / Organization • Country • Tagline, 1-3 sentence description

TYPE



Guiding Innovation Dynamics

X

Indicate main focus area / type



Building Innovation Capacity



ICT Integration into Key Sectors

X

### GOVERNANCE

- Enjoys extensive independence as a government agency led by a director general and a board, which is regulated by legislation.
- In contrast, many R&D funding institutions in emerging economies are organizational subunits of ministries or other government bodies.
- Employs 600 experts in 40 offices overseas and in 20 regional offices around Finland.

• Organiz. structure • Management & Institutional framework • Competencies

### KEY ACTIVITIES

- Funding services are targeted at companies that have their sights on international growth
- Improve the possibilities businesses have to become part of international networks and business ecosystems
- Offer funding for research, development, and piloting of products and services aimed at global markets, and also provide internationalization services for marketing and for selling products and services to clients worldwide.
- Invest in Finland operates as part of Business Finland, helping foreign companies to find business opportunities in Finland. It produces information about Finland as an investment destination, develops and coordinates the national FDI work, networking actively with regional and international actors. In addition, Invest in Finland compiles and maintains information about foreign-owned companies in Finland.
- Visit Finland, the national expert organization for the tourism sector, operates as part of Business Finland, and is responsible for promoting foreign tourism to Finland. Visit Finland supports companies and groups of companies in the sector to develop and market tourism services aimed at the international markets.

• Mechanisms • Processes • Activities • Events

### GOALS

- Business Finland offers Finnish companies a unified customer journey for innovation activities, internationalization, investments and tourism promotion.

• Objective • Target stakeholders • Desired outcome for ecosystem

### RESOURCES

- Independent budget is the key to strategic and operative flexibility.
- Multi-year project funding by allocating the full amount needed for the project's planned performance period internally, before the respective department takes a positive funding decision.
- \$500m USD of funding in 2016

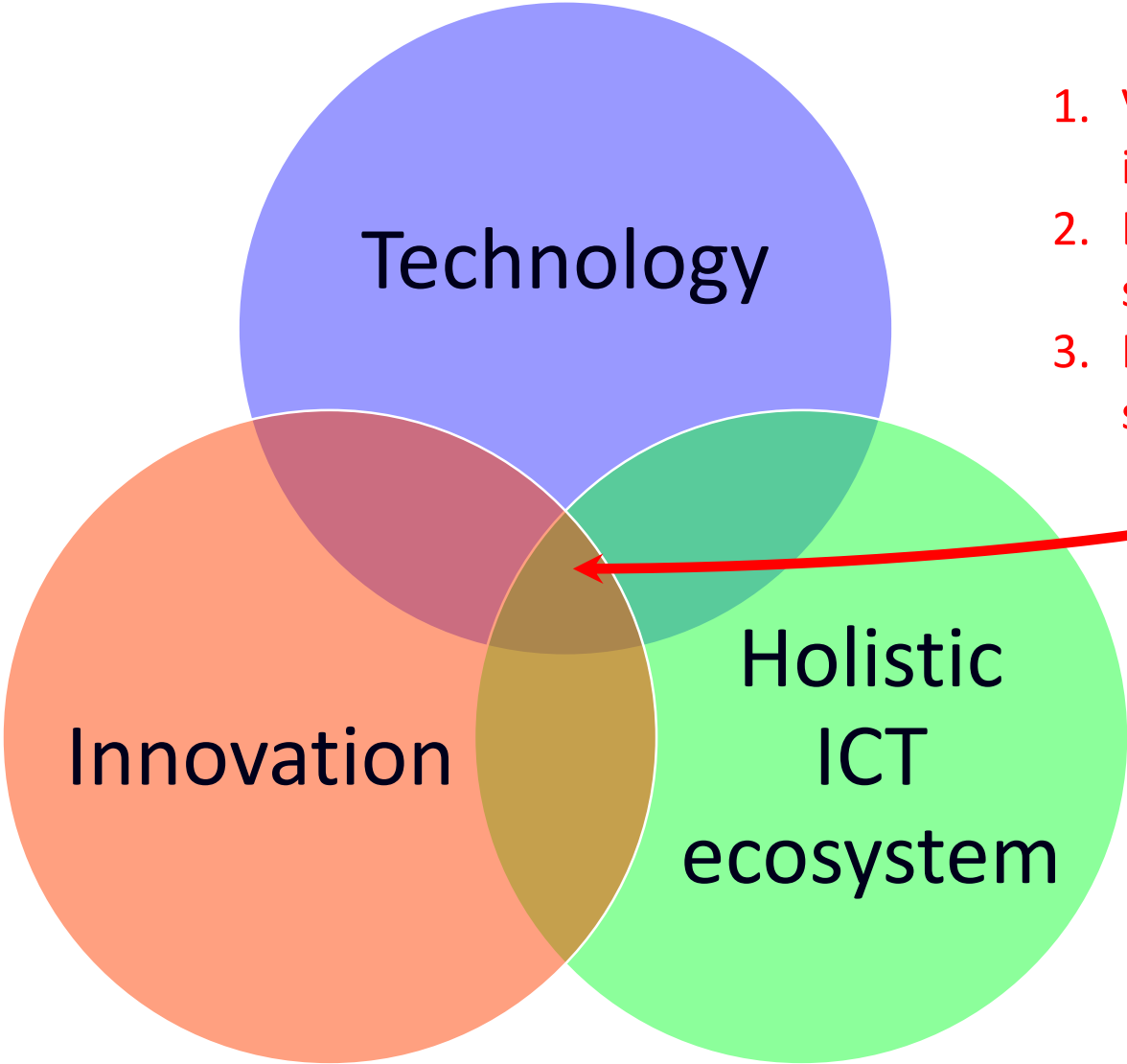
• Financial • Non-financial • Sources • Partners

### ACHIEVEMENTS

- Finland was ranked on top of the world in university-industry collaboration in R&D in the World Competitiveness Report 2015–2016 (WEF)
- For every euro invested, companies increase their R&D expenditure by Euro 2.
- In SMEs funded, the increase of jobs was 16% in the period 2012–2015
- Completed project resulted in 1000 patents
- Gave innovation vouchers to more than 1000 companies
- 180 new foreign companies have established themselves in Finland by end of November. Already established, foreign-owned companies have made 150 further investments which can be seen in extensive recruiting.
- Exports generated by foreign tourism to Finland amounted to approximately €3.9 billion in 2016

• Results • Impact • Sustainability • Replicability

# Accelerating Digital Transformation



1. Vibrancy of the ICT centric innovation ecosystems
2. Long term strategy and vision supporting it
3. International cooperation and sharing of good practices

GOOD PRACTICES FOR ACCELERATING DIGITAL TRANSFORMATION

Innovation Track @ WSIS Forum

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UKE | Office of Electronic Communications







The journey of a thousand journeys begins with one step.

Lao Tzu

***For more information***

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