Samantha Steele:

Hi, my name is Samantha Steele and I'm the senior content strategist at Spitfire inbound. Today we're interviewing Mark Schoeman, the principal of the Center Digital Excellence at Genesis Analytics. He's done very impressive things like technically advising Uganda's presidential task force on the fourth industrial revolution. And he led the formulation of a digital economy master plan for South Africa and has led the teams developing national digital economy strategies in Malawi and Tanzania. Today we're talking to him about digital excellence and the growth of digital on our continent, Africa. Hi, Mark, thanks for the interview today.

Mark Schoeman:

Thanks for including me.

Samantha Steele:

I really enjoyed your talk at Africa Tech week, and I wanted to start by saying, I found your comment that the past two crazy pandemic years have been positive ones in terms of digital growth, very interesting. Could you expand on this a little bit?

Mark Schoeman:

Sure. I guess it's a bit of a peculiar situation in the sense that generally the global economy has taken a really hard hit because of the pandemic and the global economic slowdown, but in general, as the kind of digital economy sector, it's actually been a time of unprecedented growth, I think. So before the pandemic struck, I think everyone was increasingly moving towards using more digital technology and more digital tools and their everyday lives, but it was, I suppose at that time, everyone thought that the growth was quite quick relative to the base that we were growing off of say 10 years ago. But I think because of the unique requirements during the pandemic in particular, the need for people to transact digitally rather than in person, and also the desperate need for governments and development organizations to massively improve delivery of public health care services and better tracking of the disease and its impacts, there's been an unprecedented use and uptake of digital technologies. And I think we can all relate to this, right? We're all now using Zoom and Skype and Microsoft Teams far more on a daily basis than we ever did before. And so that's been a strangely, an exciting time, I think, for growth in the digital economy, because many digital business models have seen a massive spike in demand that wasn't necessarily there.

Samantha Steele:

I know that globally, that's certainly the case. I think there's a lot of feelings people have that Africa's kind of behind digitally with this growth in mind, do you feel that like is Africa - and I'm using Africa very broadly here, obviously it's very way more nuanced than that - do you think that as a continent we are behind or do you think that this has also led to accelerated growth in our space?

Mark Schoeman:

I suppose that's a fair comment to make especially pre the pandemic, you know, if you compare most African countries to the state of digital development in developed markets like the us and Europe, or even there's a bigger gap in the state of our digital infrastructure, the quality of digital businesses in the usage of the internet and different digital tools. But I think we can see that as a big opportunity. So the one area that the African digital economy has really taken center stage on is around the mobile economy. It's been amazing to see even before the pandemic, how the use of even feature phones,

which are quite prevalent in Africa now, have given rise to an amazing ecosystem of digital tools and business models that help everyday citizens and organizations to get tasks that they need to get done better, more cheaply, more efficiently. I think that Africa is not unique as a region in being able to harness the opportunities of a really difficult situation during the COVID pandemic to see a massive increase in digital development. I think governments are slowly coming around to the necessity of growing the digital economy as a cornerstone of their development and development strategies for their countries now. And, and a big opportunity for African startups and African businesses to meet some of the massive increases in demand locally that we've seen during the pandemic.

Samantha Steele:

I mean, I think that's for me is a good segway into another term you mentioned during your, during your talk, is the digital divide? I mean, one comment I heard during Africa Tech week is that Africa does have great mobile penetration, but with what kind of phones. So in your experience like looking at unlocking value in Africa, how do you think this digital divide effects of African businesses who are trying to expand their digital footprints?

Mark Schoeman:

I think it has a massive impact because I think most businesses now are seriously engaging with the question of how they can use digital tools and channels to improve their customer experience. And that has a couple of different facets. I mean, one is how do you use these digital tools in a digital footprint to serve a new type of customer that you wouldn't normally have had the capacity to on, on a face-to-face or a brick and mortar basis. And then there's some also really exciting applications of technology within organizations on the backend, which improves the customer value proposition in various ways. So I think given that this is kind of the future of way, most corporates, in fact, all the corporates are heading towards the digital divide presents a massive roadblock in terms of your addressable market. Because in South Africa, roughly half of our population doesn't use the internet on a regular basis. And so if businesses are increasingly shifting towards internet based service delivery, then you're basically cutting out half of your potential addressable market. And I think that's why from a commercial perspective, the digital divide is a massive development issue that needs to be fixed.

Samantha Steele:

How would you define the digital divide for people who weren't able to attend your talk?

Mark Schoeman:

It's basically looking at who has access to participate in the opportunities provided by the digital and, and who don't. And so we typically think of this ordinarily with regards to hard infrastructure. Do you have an internet connection that is fast enough for you to do the types of tasks, electricity as a basic fundamental, do you have the mobile device that you need to, to access it? And here there's an important distinction between feature phones, some people call them dumb phones, and smartphones, tablets, laptops, but it doesn't end there. There's actually, that's just the physical infrastructure stuff. And there's a whole other component that people often don't talk about, which is actually about the quality and relevance of digital content and digital tools that people can make use of. So what we found in our work is that it's not simply enough that people have a physical access point to the internet and to have a device they're only going to be drawn onto the digital world if there's content or tools there, that's actually relevant for them and that's going to create value in their lives. And so some of the big issues that we see in Africa here are that 99.9% of content on the internet is in English. And there's very little

content in local African languages, which is how most people in Africa communicate and, and go about their daily lives. And then the second one is about the relevance of digital tools. So even if, even if the content is there, you know, why are you going onto the internet? It might be to learn. It might be to earn an income. It might be to access government services. And if that stuff's not available in a way that's relevant to you as an individual, then you're not going to have a reason to go in and use them.

Samantha Steele:

I think that's so true and that for me, it also highlights digital literacy. I mean, just a completely anecdotal experience is during the pandemic, a lot of my toddlers classes shifted to zoom and some of them were for my nanny and my toddler, and I fully realized how much she didn't have experience with laptops and with zoom and with meetings. There's such an assumption, I guess, about what people can intuitively pick up and what people actually learn without knowing what you're learning it, like how to access digital technology. And I guess for corporates, that speaks to how you're going to make your website user-friendly and with user-friendly and mobile first being really important when you're developing your digital tools.

Mark Schoeman:

Absolutely. And I think a few things that historically corporates have not been very good at thinking about, but people are becoming a lot more aware of it is designing digital tools and content to be mindful of these, of these constraints. So the one big constraint that we know about is how expensive it can be for people to use and access content on the internet. So there's been a big shift towards developing digital content and websites that are data light rather than data heavy. There's also been a, quite a big shift towards thinking more intentionally about people who have various disabilities - visual disabilities, hearing disabilities. How do you overcome that in the way that they can still access this content and make it useful? And then I think, you know, you mentioned digital literacy. I think that's really important, but my sense is a lot of the digital literacy can be learned through doing, so exactly as, as you recount here, of your experience with your nanny, although she may not have been very familiar with digital tools before -after using them for the first couple of times you start to become more familiar with it. And as we have this new generation growing up who are starting to become acquainted with digital technology from the classroom, that's not going to be such a big issue going forward. But I think the big issue around digital literacy is not so much, how do you use the applications, but do you have the understanding of actually what's kind of going on here from a rights and responsibilities perspective? Do I know who's collecting my data? Do I know who it's being shared with? Do I know what my rights are as a consumer when I sign up to a platform and there's a long list of terms and conditions and I just kind of click 'accept', and I think there's a big awakening happening in the consumer world around what it means to transact digitally and what are our rights and responsibilities as consumers? I think all of us as individuals are starting to grapple with that now.

Samantha Steele:

I think that's so true, Mark. I mean, especially with the rollout of GDPR, I think it was two years ago now, and POPI is finally on its way out in South Africa, and with all the data scandals, we've seen people who do know what they're at are way more conscious and wary of them than they used to be, which is something to be very considered of when you're collecting data, which is a big part of digital marketing.

Mark Schoeman:

I was just going to say it's also, I think a massive challenge for governments and regulators you know, not just individuals. So I think like one of the big, the big issues here is around the fact that more and more as digital business models emerge, so many of these business models are using AI and there's various forms of algorithms that are running on the backend of this platforms. And those algorithms are just mathematical optimization equations, but they've been written by humans, which means that there's inherent bias, that's been built into them. And so the next kind of frontier of tech regulation is even going to be, can you regulate how companies develop algorithms and try and prevent those algorithms giving rise to negative social outcomes. And there's a fascinating documentary called The Social Dilemma, which, which delves into this quite deeply.

Samantha Steele:

Oh yes, that's on my 'To Watch' list. The algorithm discussion is so, so interesting when it comes to job applications, because I know a lot of businesses are now shifting to having some kind of an AI before the human sees the CV and they found some biases coming through, with the with the CVs that are selected and not selected ... very interesting and troubling stuff. So looking at developing resilient digital strategies, I mean, we're in a time of high change, high flux - who knows what the world will look like in two years time? No one foresaw the world we're living in now, for example. So what do you think businesses and strategists should look at when looking at building a resilient digital strategy?

Mark Schoeman:

So I think the first thing is those, those first principle kind of ways of going about formulating good strategies apply just as much to digital strategies as they do to anything else. So the kind of key questions that any strategy needs to answer is firstly, what is your organization's winning aspiration? What are you trying to achieve through incorporating digital technology into the way that you working? And that's super critical too, to get that answer, right? Because that's really determines then what technologies you choose, which vendors you work with, how your operating model might change, what skills capacity building you need to do within your organization and what clients you might exclude or include. I think the second then kind of typical strategy question is where will we play? And, and that's a question about making strategic choices about which markets you're going to work in, what kind of products are you going to offer and what channels are you going to use to support those? Thirdly, this kind of classic strategy question of 'how will we win'. In other words, what's our unique selling point. What's our value proposition. What's going to make us different to our competitors, which is equally relevant for resilient digital strategies. And then I think the last question is, you know, what kind of systems and processes do we need to have in place in order for us to win? And I think a big part of that is will companies to do good kind of gap assessments to see if this is where we want to be, where are we now? And what are the changes that we need to see from a people perspective, a process perspective, and of course, a technology perspective. So those are kind of your fundamental basics of any good strategy in particular, to digital strategies, I think a few things to keep in mind, but probably the most important one is what we've seen a lot in the last couple of decades is this phenomenon of technology chasing a problem. People will see this really cool new technology -it might be a new channel, it could be a machine learning algorithm, which does something a lot more effectively than human beings have in the past, it could be blockchain -people see this and they get really excited and they think, great, I want to now use this in my organization. And then they can then start to incorporate it without a due consideration of, is it actually dealing with the problems that my organization is experiencing? So I think the most important thing is figuring out where there's a problem searching for technology. So any corporate, any organization must have a very clear view of what are the bottlenecks, the problems, the blockages to growth that that organization is experiencing. And then look for the tech solutions that are actually going to fix that. And

then related to that the other big problem, and it's a subset of this technology searching for a problem issue, is companies, organizations dreaming up digital solutions without any consideration of the end user. And I think, you know, some words like 'agile' and 'design thinking' are terms that corporates are really starting to harness now. And really what it is about is it's about putting the user at the center of the process, understanding what their pain points are, what their experience of using the technology is. And making sure that you design with all of that in mind, so that you don't end up with the solution that ultimately is not going to be used. It's not going to deliver value. And that is not going to give you the results that you're hoping to get.

Samantha Steele:

I agree with that. I think there's been a big shift towards users being important or consumers being important, and which is such a strange concept. I mean, you think it's so intuitive to place the consumers first, but it hasn't been that way for a long time. And we're seeing, I mean, from the digital marketing side, technologies like HubSpot, for example, are increasingly focusing on the entire consumer journey with a brand, from prospecting to being a, being a customer and having service experiences. So it's just, it's just fascinating to think that that's actually really an important part of being resilient is thinking about the consumer at every stage of the digital experience with your brand. And I guess, I mean, Mark would, I would think that also reflect to needing to cross-pollinate over to the in-store experience and experience with humans as well, it can't be a sign of the digital and the, and the business is that, I mean, that seems to make sense to me.

Mark Schoeman:

So such a good point, Sam, and I just want to share one personal anecdote there around the customer experience side. And a lot of companies are starting to use and shift to automated customer experience channels. This might be like a chat bot on WhatsApp. It might be like some of the old school versions are when you call into a call center and rather than speaking to a human, you know, you've got somebody reading out a couple of options and you press the button. And these are all really neat tools and there can be a fantastic part of a company's customer experience toolkit. But again, I think some companies falling into this trap of technology searching for a problem rather than a problem searching for technology. So my experience of the company in South Africa that had shifted entirely to WhatsApp based chatbots, customer service channel, that the technology wasn't fit for purpose. It was a situation where I'd signed up for something and I wanted to change my contract, and the only way for me to get hold of this company was through the bot channel. There was no telephone, there was no email address that I could contact. And the chat bot channel did have an option of connecting to a live agent, but it just didn't work. So it was like a constant cycle of saying, no agents are available, we'll contact you within 24 hours. I was, I mean like two months went by and this, and this awful destructive customer experience journey. I've never actually been able to connect with the company and, and I desperately just needed to speak to a human being and the technology just didn't work. So I think, you know as human beings, as consumers, there's, there's many instances where we aren't satisfied talking to a chat bot or dealing with automated processes. There are many kinds of low-hanging fruit, where that will be perfect. I just want to see what the balance on my bill is, or I want to cancel an order or something, but I think companies increasingly are realizing as they trial and, and, and see some errors and using technology that there's certain cases where customers need that human interaction and where the case is too complex for the current state of, of AI or chatbots as they are currently being offered on the market aren't sufficient. And so I think just as one example in customer experience, it's really important again, to understand the customer experience life cycle, what are the pain points? What are the key places where your customer needs to interact with you and what are the right technologies to use at those particular points?

Samantha Steele:

Very well said, Mark. That's a very good point. And I think also that sometimes people don't know what their problem is and need to work that out with another person. And the five options available on the call line don't fit into what they think their problem is. So we mentioned some of the challenges around tech development. What kind of roadblocks do you think people have? I know anecdotally again, that pricing is often a concern for people in developing a website or developing an app. And is that a common road block? Is there a way to overcome that? Is there a way governments can help with that?

Mark Schoeman:

Yeah, that is a common roadblock. And I think related to that, particularly when it comes to some of the higher tech solutions, as opposed to the kind of conventional tech solutions, which might be, you know, contact center for your CX or outsourcing some parts of your business processes and lack of availability of local and locally relevant expertise is often a challenge. A really exciting process that we've been seeing over the last century actually is how the improvements in the cost and effectiveness of ICT have meant that you can access a network of service providers for your company anywhere in the world. And they don't necessarily need to be located in the same city as you or the same country as you. So there's a very common experience for South African businesses to use software developers, web developers, app developers in India, for example, because the cost is a lot cheaper and it's good quality services there. But sometimes, particularly with some of the higher tech solutions around machine learning, data analytics, especially big data analytics and more sophisticated AI where the solutions are available internationally, that can be quite expensive. Often they're priced in euros or dollars. And the service providers, they are don't necessarily know the local markets. They might know South Africa fairly well because South Africa is historically being quite a big player in Southern Africa. But especially when you're talking about expanding into markets like Malawi, as an example where we've done some work, there's very scant services available from, from the global community. So I think there's, this is a challenge for businesses, but it's an opportunity for us as countries to develop local tech talent who can cost effectively and with good local knowledge offer these services to, to corporates and businesses of all sizes, so that they don't have to figure this out by themselves. This is what a lot of governments are trying to do. And there's been some mixed success there, it's a vertical approach is set up incubators and, and hope that these entrepreneurs come and give them a bit of financing, you know, to survive for the first couple of years. And then nine times out of 10 these, these startups are successful. So they'll get a bit of early stage funding, which will give them access to a bit of tech and maybe hire one or two people for two or three years. But if they haven't connected to big sources of demand by the end of it, in other words, if they don't have clients or customers for the product that they've come up with, most of them end up tanking. So I think the big missing ingredient from a policy perspective in most African countries is that insufficient support for these businesses to connect to sources of demand in the domestic economy and in the regional and even global markets. I think there's a big opportunity for us across the continent and to do that much better.

Samantha Steele:

Thank you. That's such a positive note. And then there's one last, almost coming to the end of our interview. I'm looking at digital excellence and digital growth over the past two tumultuous years. What is one key takeaway you want people to have about digital excellence and growth?

Mark Schoeman:

I think probably the biggest takeaway, and we've kind of spoken about it already, but it's so important is really this, this mantra of don't do technology searching for a problem, do a problem searching for technology. So I think really, you know, the last century, even of rapid technology innovation and adoption has been one where in many cases it's not unlocked a huge amount of value. And the reason why is because these solutions have not been designed with that customer or that end user in mind. So if, if that's one thing that companies can get, right, it's going to be enormously transformative in the impact that it has on their customers and the commercial impact that it has on their businesses. And then maybe one more thing that, I mean, we've spoken a lot about putting the customer at the center and that's certainly a good commercial and approach, but we should also not forget that customers are not the only stakeholders and human beings and commercial ecosystems. So when companies start to go down the road of adopting digital technologies, it has a big impact on their staff, and it can have a big impact on other members of the community service providers and training providers, et cetera. And we should be cognizant of that as well. And think through carefully how we take everyone along with us on this journey in a way that includes them rather than excludes them. And sometimes that may mean for people whose jobs become obsolete or or who gets displaced by automation that companies need to think very intentionally about how do we re and upskill those people so that they can find meaningful tasks for themselves in this new digital world.

Samantha Steele:

Great. Thank you so much for your time today and for your wisdom and insights.