



PRESS RELEASE

TOWARDS INDUSTRY 4.0 : MALAYSIAN BUSINESSES TO MAKE INNOVATION REAL & DELIVER TANGIBLE BUSINESS RESULTS

Kuala Lumpur, 17 January 2019 – 2019 will be the year to walk the talk! According to Forrester's 2019 Predictions, organisations will shift from strategic ambitions to pragmatism. Digital transformation needs 'to get back to its roots: small, manageable chunks of innovation that deliver tangible benefits'.¹

The present reality is that many Asian businesses often work with controlled and tighter budgets and have less ambitious innovation plans. Problems often result from misallocation of resources and poorly directed technology. Innovation is never an easy task and failures and setbacks are inevitable. Management can easily tire of innovation if there is no clear ROI in sight. Business leaders must then address one key question in this equation : Why innovate?

With the rise in technology disruptions, vibrant set-ups that challenge established enterprises, growing cyber security threats, heightened customer expectations, **real innovation** that results in **operational efficiency** and **tangible Return on Investment (ROI)** is pivotal. Undoubtedly, innovation initiatives must extend beyond external customer experience and drive the innovation agenda internally as well to drive operational efficiency, sustainability and accelerated growth.

In Malaysia, the government has allocated RM210 million to develop Industry 4.0 which calls for the need to automate manufacturing process and drive business innovation. Our Prime Minister envisions the country to be ranked among the top 30 nations in the Global Innovation Index by 2025. Currently, Malaysia is ranked 35th in the index.²

So, what are the challenges and foundation to 'real innovation'? **JOS**, one of Asia's leading IT service and solutions providers with a strong footprint in Asia over the last 60 years, has power packed it in a concise '5 + 3 real innovation model'. The model was unveiled at its

¹ Predictions 2019: Digital Business, Forrester Research, Inc., November 7, 2018

² National Industry 4.0 Policy Framework - MITI



regional forum, **JOS TALK**, dedicated for Asia's IT and business community on **Trends, Advice, Leadership and Knowledge**. The 2019 **JOS TALK** is themed **MAKE INNOVATION REAL**.

In Malaysia, the session was led by **Mr Mark Lunt, JOS Group Managing Director** and **Mr Steven Soo, Managing Director of JOS Malaysia** who navigated the 2019 outlook and challenges for businesses in Asia, including Malaysia.

"To make innovation real, technology plays a significant role. But technology can only enable successful innovation when it is combined with leadership and a clear strategy. Making innovation real needs to start small, win fast, then move on to more ambitious goals, having built credibility by delivering results," said Mr Mark Lunt, JOS Group Managing Director.

JOS, a systems integrator, solutions provider and technology consultancy with deep local and industry knowledge and an exceptional ability to execute, has been working alongside over 10,000 customers across industries such as Financial Services, Hospitality, Manufacturing, Public Sector, Retail & Shopping Malls to help them charge through the challenges and excel in their innovation journeys.

Commenting on the Malaysian scenario, **Mr Steven Soo, Managing Director of JOS Malaysia**, said, "The challenge for local businesses is the shortage of talent. This is especially important in light of the national Industry 4.0 agenda. Certainly, it takes time to build this talent pool and 2019 presents a timely opportunity to start. JOS has been committed to the Malaysian market over the last 20 years and we are certainly in a position to help companies along in their digital strategy. Like other countries in the region, Malaysia's economy will also be impacted by challenges trade developments."

Lunt explained, "JOS's real innovation model combines 5 technical pillars with 3 corporate dimensions which deliver results when bolstered by strong leadership in decision making within an open, secure and agile business environment.

"The five technical pillars are **AI** (artificial intelligence), **IoT** (internet of things), **Big Data**, **Cloud** and **Cyber Security**. These are the five most important technologies, all interrelated and closely correlated, in the drive to make innovation real.

“Data collected through IoT sensors can only bring meaningful business insights with a well-managed Big Data architecture. Success in AI and IoT projects also relies on the flexibility in computing power from Cloud and the analysis supported by the company’s Big Data strategy. In fact, AI is no longer the future. As reported by The Economist Corporate Network, more than 12% of Asian business leaders claimed that their businesses had begun experiencing the impact of AI since last year.³ Certainly, no innovation initiative can deliver results without a holistic security strategy to protect corporate data and systems.

“**People, Culture, Organisation** are equally important to make innovation real and good leadership is a key force to drive innovation across these corporate dimensions. A focused leader will dedicate resources such as time and capital for training existing talents and hiring external consultants to capitalise on technology for meaningful business value. Time is often required to nurture a new mind-set for innovation in any corporation but things can get a little smoother when a visionary leader inspires and cultivates a culture of innovation. An organisation structure is always foundational to sustain innovation by availing a process to filter ideas and measure meaningful results.”

Walking the talk to make innovation real, Lunt revealed that JOS also embarked on its own successful transformation two years ago. JOS is a radically different company today, transforming into a trusted technology partner for leading Asia businesses. JOS introduced new business models accelerated by new talent which translated into a new energy that complemented JOS’s established customer-focused culture.

Leveraging on its Asian expertise of over 60 years and 20 years leadership in the Malaysian market, Lunt and Soo also shared insights of their innovation journey with customers across Asia to help them realise the potential of technologies to deliver tangible results.

Lunt and Soo urged Asian businesses to focus on four areas in 2019 to tangibly benefit from real innovation - Focused innovation, Realistic Expectation, Pursue with Commitment & Right people and culture. Companies need to be focused in their innovation plan and identify the area that innovation is most needed and beneficial. This will form the start of the innovation journey and to benefit from meaningful results, realistic targets must then be aligned with market changes. Business leaders must also be committed to pursue

³ AI, Automation, Future of Jobs and Skills Study (<https://www.hays.com.hk/ceo/index.htm>)



innovation. Success in innovation requires the collaboration of the entire organisation that has the right talent and mindset.

Looking ahead, Lunt alluded to opportunities in robotic process automation (RPA) which serves as the groundwork for machine learning and AI. There is also the need to foster great integration in private-public partnership to unlock the business value in IoT especially in the area of developing smart cities. Developing a cloud-native environment will also be crucial for smoother flow of work and this hinges on the capability to manage and secure the private cloud environment in the public cloud. “Certainly the road ahead for innovation is exciting and JOS aims to partner our current and potential customers to walk the innovation journey together,” concluded Lunt.

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About JOS

With over 60 years’ experience in Asia, JOS is a systems integrator, solutions provider and technology consultancy with deep local and industry knowledge and an exceptional ability to execute. With 2,000+ IT professionals working from nine offices across Asia’s major business hubs in China, Hong Kong, Macau, Malaysia and Singapore, JOS aims to improve the performance of business and governments across the region by applying the best technology to address their challenges. JOS has extensive experience across a range of industries, more than 10,000 private and public sector customers in Asia, and core capabilities in artificial intelligence, big data, cloud computing, enterprise applications, enterprise security, internet of things (IoT), mobility and next generation infrastructure. JOS is a division of JTH Group, a member of the Fortune Global 500-listed Jardine Matheson Group.

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