



Technology & Telecommunications

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Key Topics

- **Recent Surveys and research**
- **Technology Challenge for SMEs**
- **TMT Predictions**

FAST 50

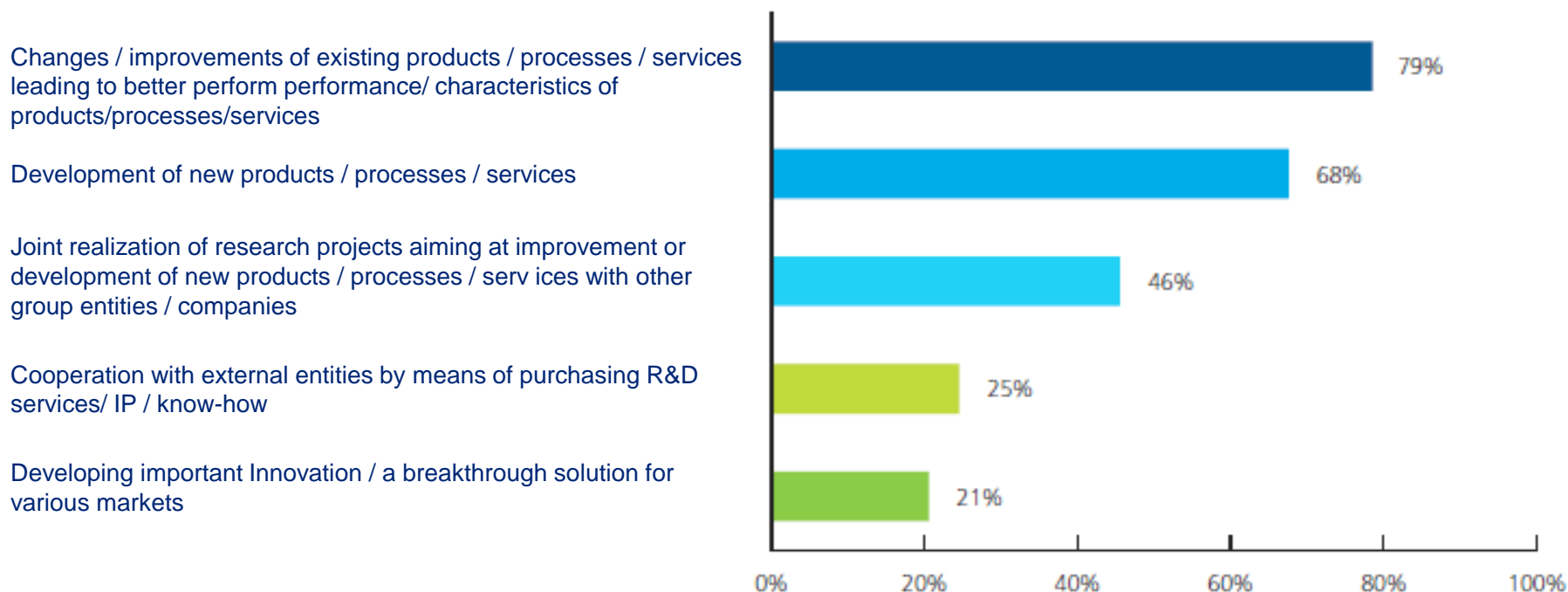
- Innovation (20%) is the greatest management challenge they face
- one of the threats CEOs identify is the limited access to specialized work force (28%), followed by the general economic climate (20.6%)
- More than half of the CEOs (54.7%) see future organic growth and 39.1% see international expansion
- As regards to their revenues, 33.8% of the subjects estimate growth between 26-50% in 2014
- 52.3% plan to increase their R&D spending in the next couple of years



R&D Survey - 52.3% of the CEOs plan to increase R&D investments; locally, the percentage is even higher: 71%. Companies invest less than 3% of their turnover on R&D. Reasons: lack of perceived government incentives or poor promotion of existing ones, too much red tape in the application process and concerns about the tax treatment.

According to our data, the highest spending (**over 5%**) is done by 22% of companies which mainly operate in the **IT media and telecommunications** sector.

Graph 1: What best describes your R&D activity?





The Technology Challenge

- Access to capital and skills especially for SMEs
- Scalability and management control as the business grows rapidly
- Optimization and innovation as business becomes mature

Idea

- Technology is critical - who spends more is likely to perform better.
- Cloud technology can enable new ventures to adopt advanced technology and practices earlier in their lives.
- Get your key advantage: scalability, flexibility, cost, innovation, maintenance and security.

Conclusions of Deloitte report:

- SMEs using cloud technology to overcome their challenges.
- 85% of those surveyed believe cloud enable their business to scale and grow faster.
- Growth rate 26% faster
- Deliver 21% higher gross profits

Figure 2. Benefits of using cloud technology

	Scalability	<ul style="list-style-type: none">• Ability to rapidly scale capacity up and down• Standardisation across locations (including globally)
	Flexibility	<ul style="list-style-type: none">• Frees up resources for other capabilities• Enables mobility – employees can work in any location• Improves collaboration and sharing
	Cost	<ul style="list-style-type: none">• No up-front investment in technology (hardware, software)• SMBs can get economies of scale benefits• Access to technical expertise without paying for full time staff
	Innovation	<ul style="list-style-type: none">• Ability to test and trial new products• Upgrades/new products immediately feasible
	Maintenance	<ul style="list-style-type: none">• Lower maintenance requirements• Deploying and integrating technologies (including using APIs) is typically simpler
	Security	<ul style="list-style-type: none">• Software is updated automatically to fix bugs• Disaster recovery – content is stored remotely• Data is not held on transportable hardware

Sources: Deloitte research

Deloitte.

The Digital Change



Technology

The \$750 billion Converged Living Room: a plateau approaches

In 2014, global sales of smartphones, tablets, PCs, TV sets and videogame consoles will surpass

\$0.75 TRILLION



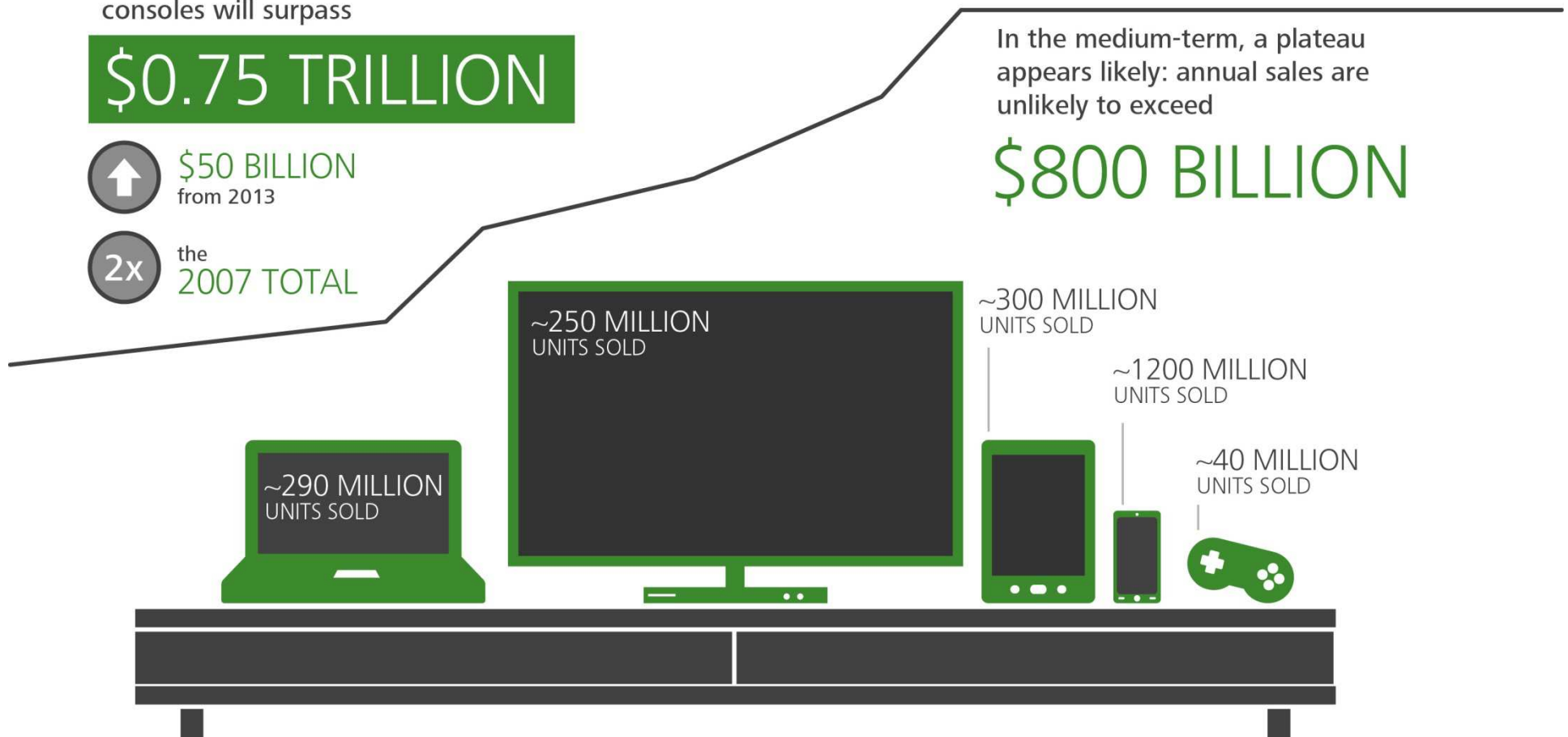
\$50 BILLION
from 2013



the
2007 TOTAL

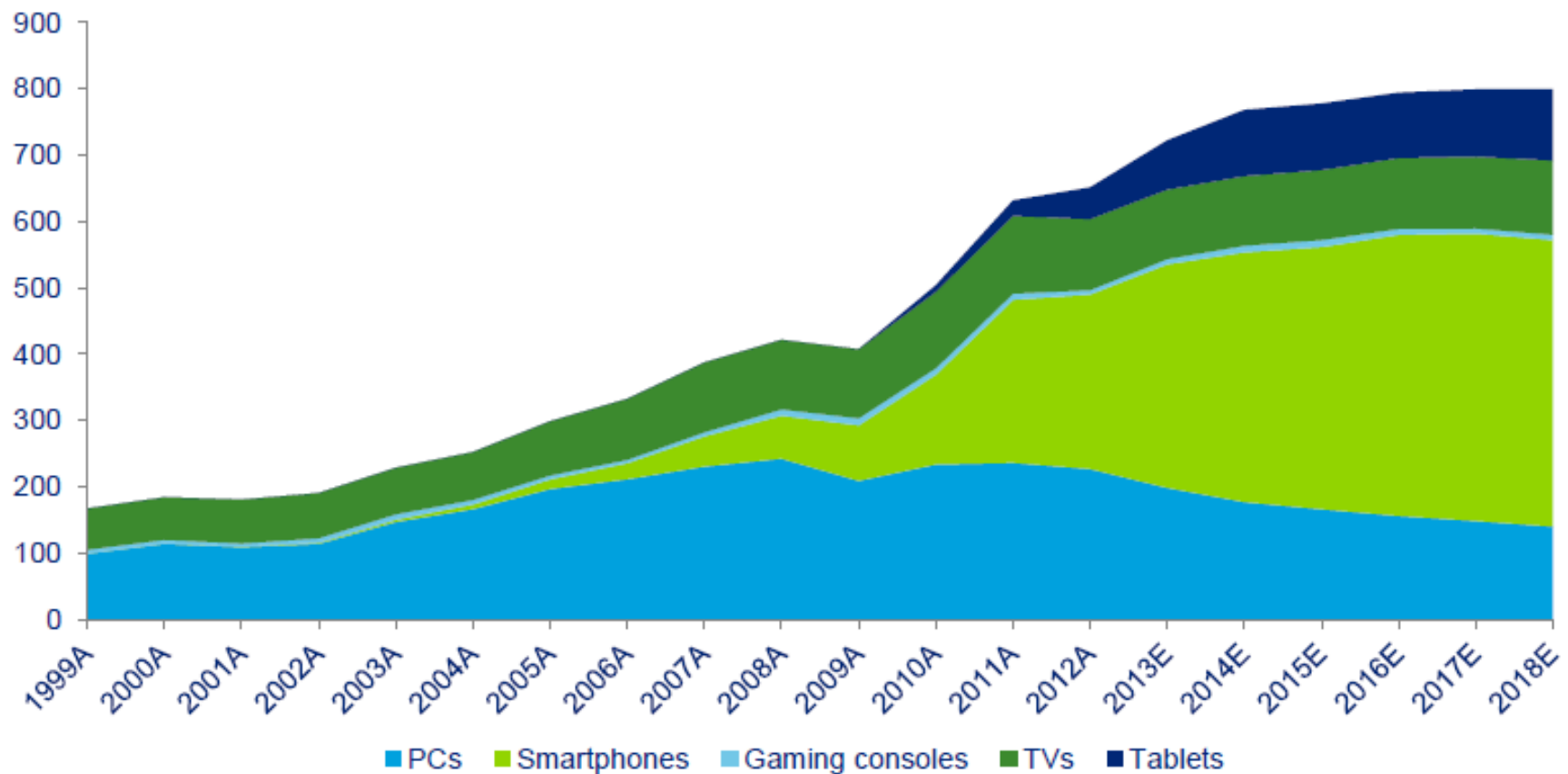
In the medium-term, a plateau appears likely: annual sales are unlikely to exceed

\$800 BILLION



Converged devices have taken over the living room over the past decade, with smartphones the biggest driver.

Combined global sales revenues of smartphones, tablets, PCs, TV sets, gaming consoles (1999-2018)

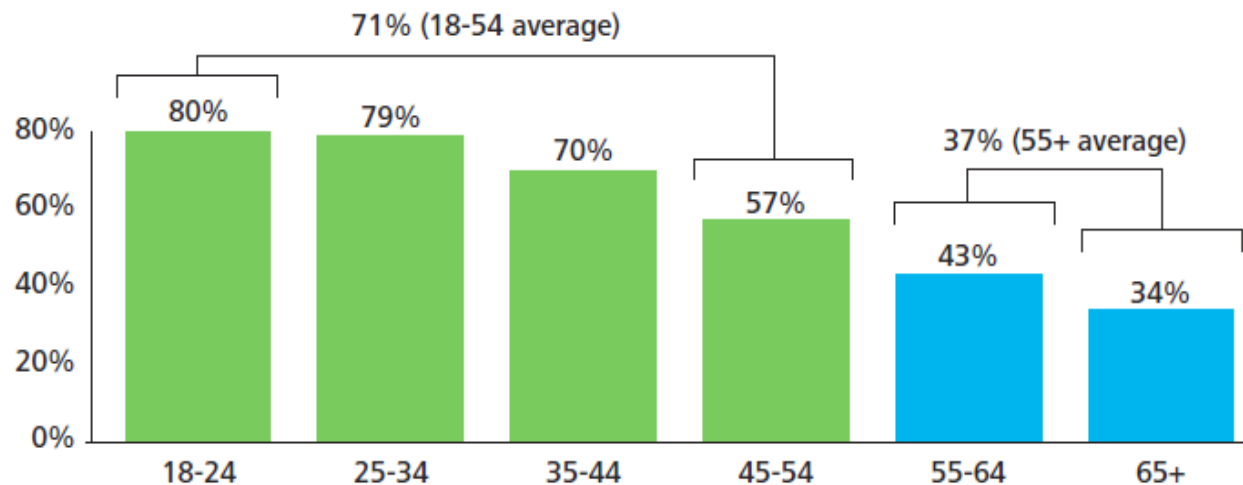


Source: Deloitte Analysis, 2013

Smartphone penetration

The smartphone generation gap:
Over-55? There's no app for that

Figure 7: Smartphone penetration in developed countries as of May-June 2013



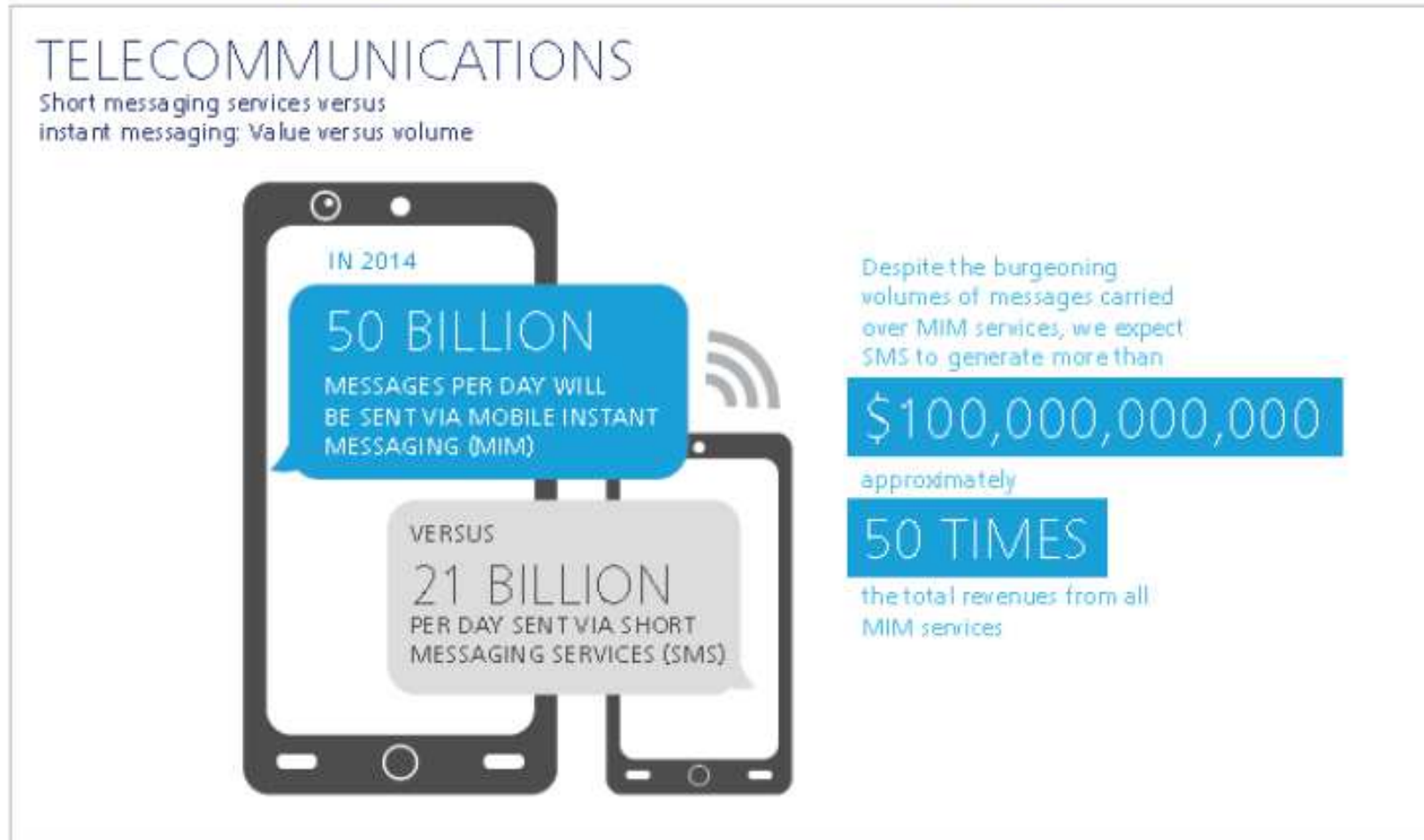
Smartphone app
download and
usage by +55 will
lag smartphone take
up

Source: Deloitte Global Mobile Consumer Survey, Developed countries, May-July 2013

Weighted base: (Respondents from all age groups) Belgium (2,000), Finland (1,000), France (2,000), Germany (2,000), Japan (2,000), Netherlands (2,009), Singapore (2,000), South Korea (2,011), Spain (2,000), UK (4,020), US (2,000)

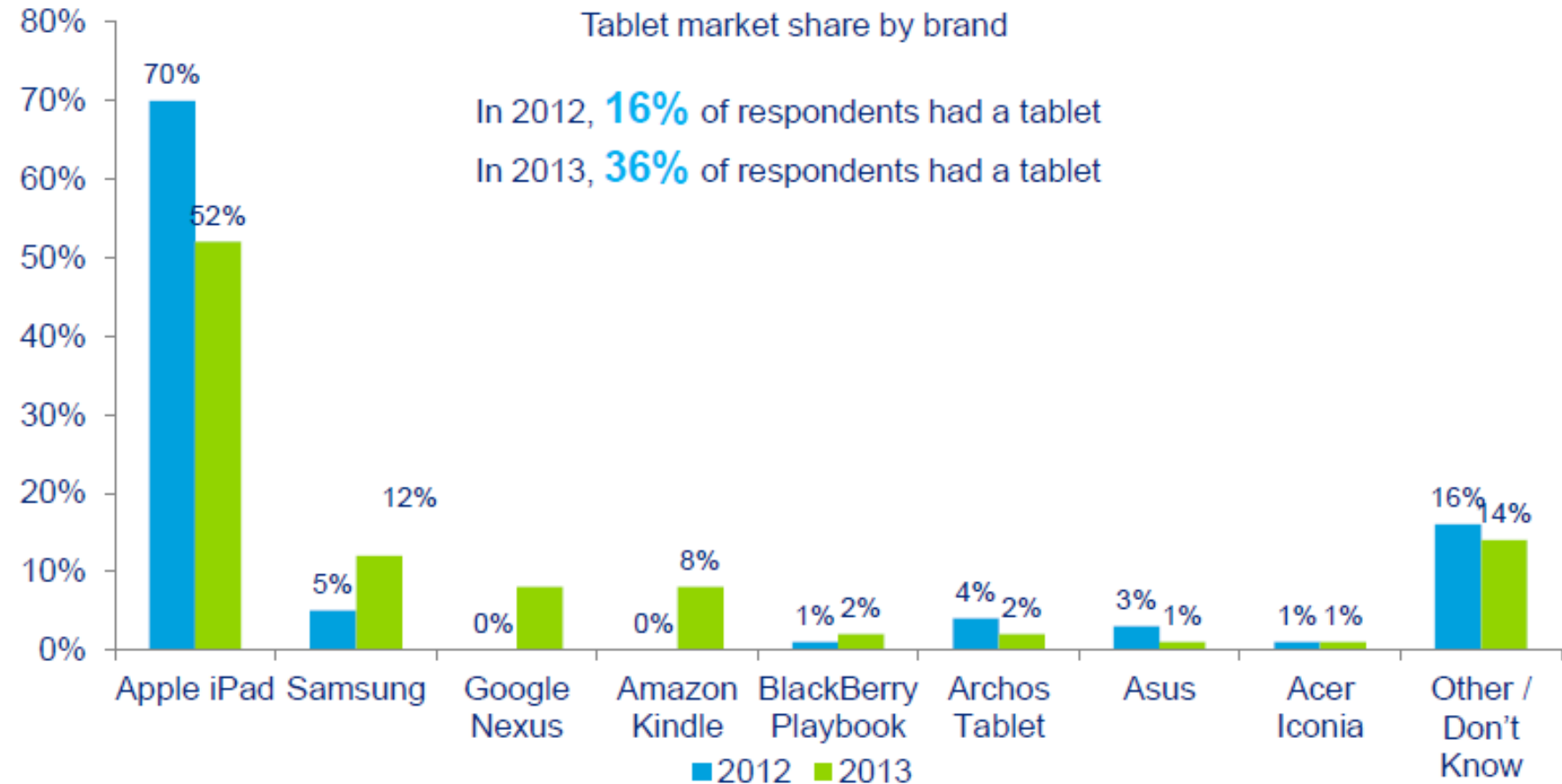
Note: The averages have been calculated by using actual numbers

... but mobile instant messages generate 2% of global mobile messaging revenues; SMS is “dying” at \$100bn.



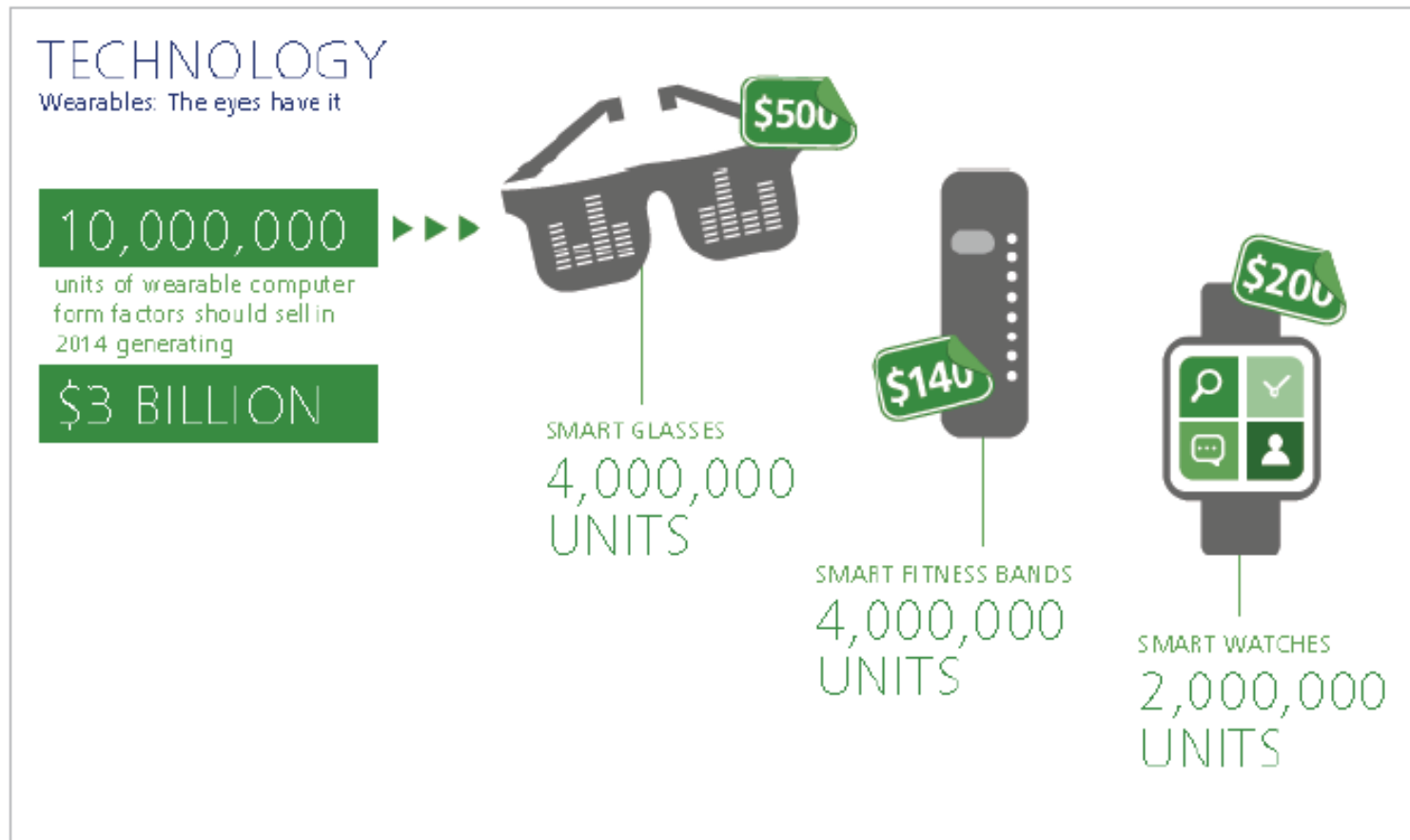
When first launched, the iPad was the tablet market; its share has steadily slipped.

Q. Which, if any of the following models is your current tablet? (UK data)



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
Base: Respondents that have a tablet (2013)1,431, (2012) 327

Smart glasses, watches and some fitness bands require a smartphone



Growth in converged devices has enabled multiple virtuous scale-economy cycles, such as for screens



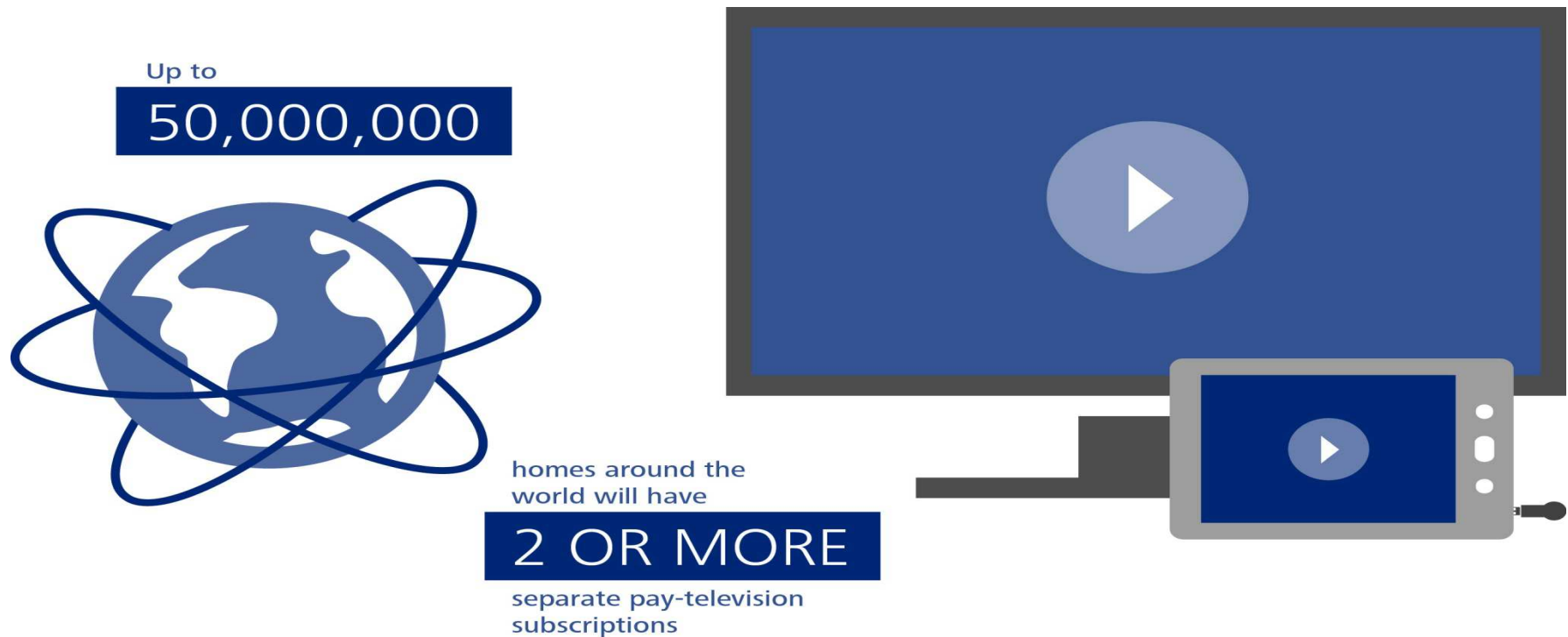
Source: Enders Analysis, Coming

Media

Doubling up on pay TV

50 million households, 10 million premium

\$ 5 billion in revenues,



The availability of low cost video-streaming devices should encourage subscription VOD usage, including among satellite / cable / IPTV homes.



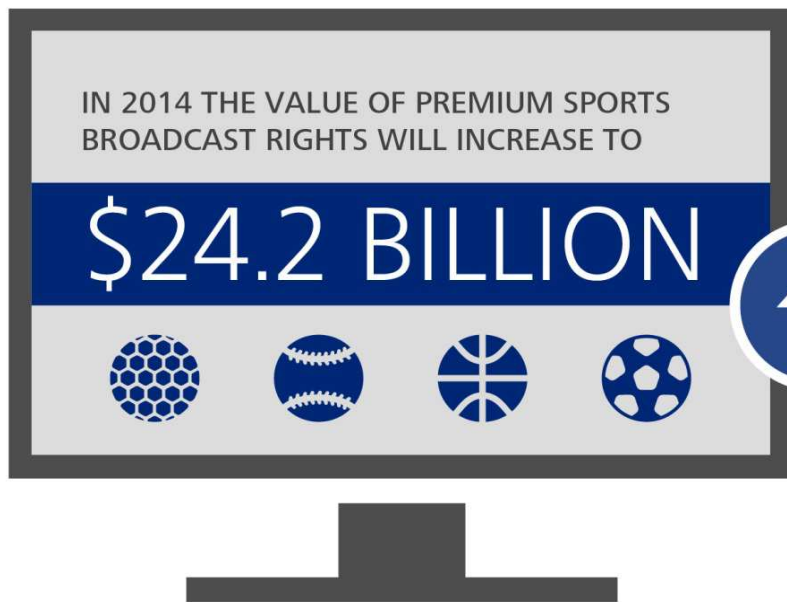
Media

TV is staying

- Television is the traditional media sector that has remained resilient throughout the rise of digital technologies.
- TV and cinema co-exist, even if television and the film industry may have traded cartoon characters for drama, and the emergence of television did not mean the disappearance of films.
- Short- form has not displaced long-form, it is not likely to do so.
- Korean star PSY holds the title for the most-watched video on YouTube, *Gangnam Style*, which has over two billion, Pewdiepie 5 billion views but what about revenues
- Hybrid measuring devices that track TV viewing on PC, Tablets and Smartphones may tell us more

Media

Broadcast sports rights: premium plus



14%

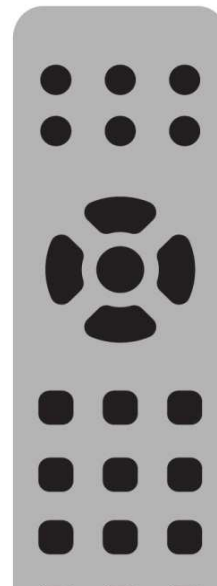
rise on 2013,
equivalent to
an additional
\$2.9 billion.



The rights rise in 2014 will be driven by new

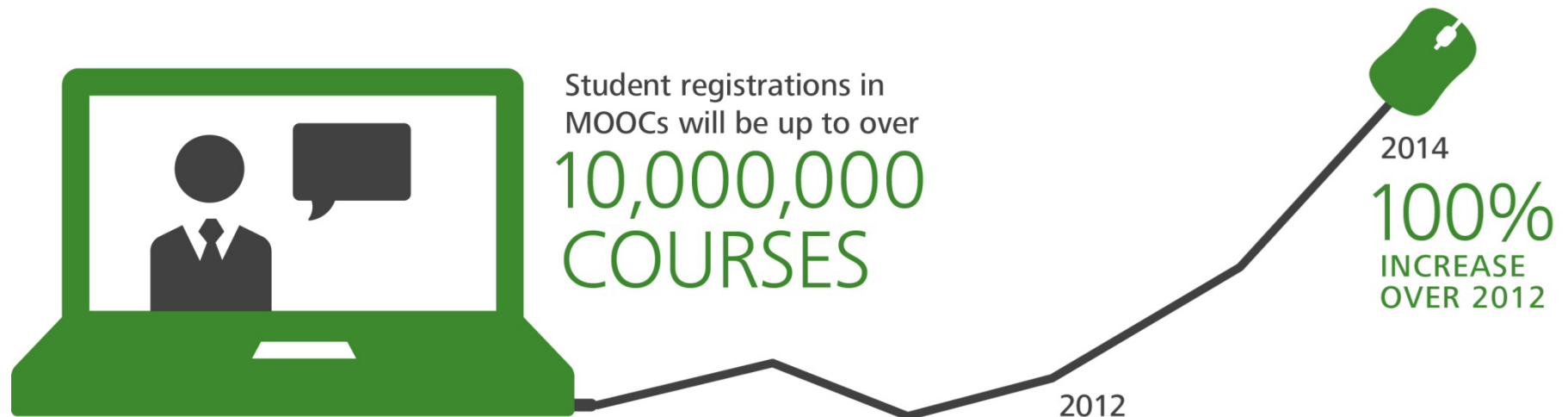
AGREEMENTS

with several European domestic football (soccer)
leagues and North America sports leagues.



Technology – disruption

Massive Open Online Courses (MOOCs): not disruptive yet, but the future looks bright



2020

Less than 0.2% of all tertiary education courses completed in 2014 will be MOOCs. By 2020, however, over

10% OF ALL COURSES
taken in tertiary and enterprise continuing education may be MOOCs.

In the long-term, multiple factors favour more widespread take-up of MOOCs



Technology and networks have changed



Pedagogy has changed



Skills half life and retraining have changed



Government ability to pay has changed



Student ability to pay has changed



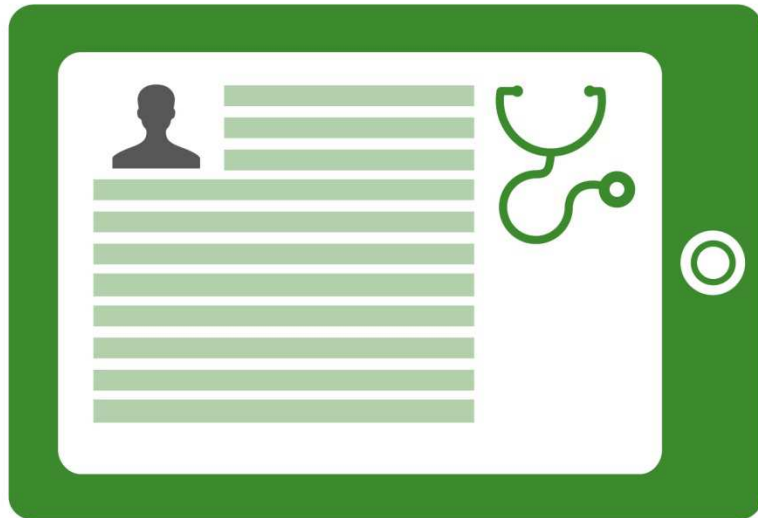
Push vs. pull has changed (learn what you want, when you want)



Data and analytics has changed...to real time and granular

Technology - disruption

eVisits: Redefining the Patient-Physician relationship



In 2014, there will be

100 MILLION

eVisits globally, saving over \$5 billion when compared to the cost of in-person visits.



400%

from 2012 levels

The vast majority of eVisits are likely to focus on capturing patient information through forms, questionnaires and photos, rather than through direct interaction with a physician.

eVisit usage will be largest in North America where

75 MILLION

eVisits will represent 12.5% of the 600 million annual visits to general practitioner offices in the U.S. and Canada.





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