

# Editorial

## Smart Tech beyond the status of being the next buzzword . . .



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When looking around us, it is more than obvious that Smart Tech has grown beyond just being a buzzword and has taken a dominant place not only in many organizations, but also in our private lives. The challenge is that Smart Tech expresses itself in many shapes and forms – with the risk of being misused and causing confusion. Therefore, we have taken the opportunity to pay explicit attention to some of the expression forms in this *Compact* edition. As Smart Tech is also one of KPMG's top priorities, we have asked Channa Minke, senior manager of Smart Tech Solutions at KPMG, to provide her view on Smart Tech in this editorial.

We thank the contributing authors and hope you will enjoy this edition and get a good understanding of the opportunities Smart Tech can offer. If you would like to explore these Smart Tech ideas and concepts further, we invite you to contact us or any of the contributing authors.

### No future without Smart Tech

**Everything in life has gone digital: shopping, meeting people, listening to music, and the workplace. Internet and automation have already found their way into the workplace. And now smart technology will be the next chapter towards a further digitized workplace.**

But what exactly is smart technology? The key aspect of a truly 'smart' system according to [Godd96] is that the response to any stimulus should be intelligent, as opposed to rigidly predetermined ('dumb'). Thus, a conventional oven is not strictly 'smart', because the relationship between the power control and the temperature is deterministic rather than intelligent and the oven is not capable of improving its

performance over the years by adapting to changes in its environment and by learning from past operating experience.<sup>1</sup>

Smart technology for organizations aims to drive performance and runs business processes depending on circumstances. By leveraging data, it can provide insights into performance and enable decision makers at companies to identify opportunities,

<sup>1</sup> N.D.R. Goddard, R.M.J. Kemp and R. Lane, *An overview of smart technology*, Structural Materials Centre, Defense Research Agency: Farnborough, Hants, 1996.



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manage risks and enable access to everything right here right now. This kind of technology is called 'smart' because it can use data to make analyses, it can draw conclusions based on rules and it can adapt automatically.

I believe Smart Tech is not only here to stay, it will also change the way we work. Recently our finance specialist asked to work on a summer project. She wants to teach a robot (a set of algorithms) to do her job so she can focus on the management of products instead of repetitive finance processes. Not only will this virtual worker be able to do these tasks, the result will also be flawless, since it will not be distracted or become tired.

In this edition we examine several smart technology solutions. Three opportunities arise for organizations using Smart Tech.

#### **Intelligent decision-making**

With the help of technology, analyses can be aggregated and disaggregated to the extent that they offer insights not previously possible. An example is the SOFY platform (page 36). This Smart Tech Solution provides business insights based on the real-time analysis of master and transactional data. These insights are presented to users through notifications, social feeds and dashboards, actionable insights they didn't have before.

Smart technologies allow us to prototype ideas even before a project has started. It helps to envisage the future, to experience it rather than read about it in a PowerPoint deck. The proof of concept described in the digital journey of Vattenfall Heat (page 29)

is an example of learning about the future without yet implementing them.

#### **Coproduction between employees and virtual workers**

Employees can make a greater impact by delegating rule-based tasks to virtual co-workers. This creates room to focus on work that makes a difference. An example is Continuous Compliance Monitoring (CCM), as part of the Digital Risk Platform described in the article on page 74. By continuously monitoring compliance with minimum effort from employees it is possible for them to spend most of their time on problem solving instead of gathering data and analysis.

#### **Increased capacity for value-add activities**

Efficiency is not an end in itself, but simply a way to focus more time on value-adding activities. Smart technology empowers employees to spend more time on in-depth analysis, strategic thinking and finding solutions. It also creates more time for human interaction, meaningful discussions with coworkers and time to listen to the needs of clients.

Smart technology is often offered as Software-as-a-Service (SaaS). This means that organizations no longer have to make huge investments in hardware and software to innovate, but they can add functionality that integrates with their current systems. This means we can start the new chapter of smart technology today.

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