



Episode Two – Emerging new business models



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What is Digital Dialogues?

In 2021 Treasury Today Group and Citi bring you a new series dedicated to the topics of the moment. This audio centred content series brings together leading voices from across Asia Pacific. From academics to corporate treasurers to financial leaders, we will focus on the issues affecting corporate decision makers against a backdrop of the pandemic and global risk.

In our second audio episode we sat down with Sarika Joshi of Zalora and Sanjeev Jain at Citi to explore emerging business models in theory and in practice. Some of the most dynamic treasury, payments and general corporate finance innovation is occurring in the e-commerce and digital native space. The pandemic has accelerated and enhanced the commerciality of digital first, e-commerce, young and adaptive companies. The ability to move rapidly and both guide and follow their consumer base has propelled retail companies with a strong e-commerce base into a new world. These savvy and tech-based businesses process data and consumer insight rapidly, adjusting and evolving their approach and outlook to maximise efficiency and profit. This is reflected in their treasury and finance functions, where they can adapt to a fast paced environment and allow data and consumer insight to power a new kind of progressive and future focused decision making business model.

Moving into a role at Zalora following an established career with high level roles in corporate finance was an adjustment for Joshi. She has thrived within this new and ever-changing business model. Blending corporate financial expertise and experience with this sector's innovative and collaborative mindset, she has redefined her role and function. A business predicated on emerging business models, risk taking, growth and fast paced change calls for a new kind of corporate finance model and leadership.

As Joshi explained, 'It's two and a half years since I joined Zalora. The e-commerce space is still evolving, it's fun and it's changing and very dynamic, especially given what has happened in the last year and a half. Adapting to that kind of speed and also to how the business models are changing has been very exciting for me. Given also that my role is much broader than the treasury, it also lets me have a much broader view into the business per se.'

Speaking about the dynamic pace within the e-commerce industry that she now works in, Joshi offered the following, 'there's a lot of testing that happens and a lot of changes that get incorporated due to continuous customer feedback. The speed at which it happens in an e-commerce business is amazing. Getting to know what the pulse of the customer is and how to support and provide value has been I think one of the biggest revelations for me from a business perspective. A lot of that translates then into the different functions that you manage within treasury or risk for example.'

Sanjeev Jain spoke about the consumer and their behaviour patterns that sit at the centre of this rapid change that we have seen in these industries. These are really the fulcrum of a lot of the emerging business models that we are documenting. As he explained, 'At Citi we try to look at these things as a consumer, because there's always a service to our business, on the other side. As a consumer, as an individual, if you look at how your life has changed over the years. Think about if you're commuting to work in the morning, we're still lucky in Hong Kong right now to be commuting to work, that whole experience around ordering a cab from an app. And an app is powering your ordering of meals and groceries. This whole change in terms of how our personal lives are facilitated, from the goods you're buying to services like entertainment, streaming platforms for music and television and film. This extends to the whole experience of how you invest and how you borrow, even consumer finance options across digital banks. Even on a shopping e-commerce platform, previously you would pay by credit card and now there are instalment payment options alongside.'

The rapid pace of change in consumer behaviour has fuelled a certain expectation of an equivalence with a corporate focused platform. Why should this experience be different than our experiences as individual consumers? Then there are digital native companies such as online retailers and technology enabled companies which also expect a new kind of business model from their treasury and corporate finance. The pandemic has only further accelerated these changes to corporations

and to consumers, as Jain and Joshi have demonstrated. We further explore the knock-on effect of these trends on the industry as a whole as we look at what we can learn and observe from emerging business models.

To listen to the full audio episode and to see all the episodes in our new Digital Dialogues series here: treasurytoday.com/digital-dialogues-2021