BUSINESS EXCELLENCE APPROACH ON LEADERSHIP AREA TO DEAL WITH RAPID DISRUPTIVE TECHNOLOGICAL CHANGES

A Case Study at Telkom Indonesia (An Indonesia State Owned Enterprise, the Telecommunication Industry Leader in Indonesia, A listed Company at New York Stock Exchange and at London Stock Exchange)

By
Drs. Agus Tato, Dipl. TEFL, DIPL. TM, ELT, CCP, MM

Senior Advisor to The Chief of Human Capital Officer
TELKOM INDONESIA
AGENDA

1. TELKOM AT GLANCE
2. THE PROBLEM
3. THE SOLUTION
AGENDA

1 TELKOM AT GLANCE
2 THE PROBLEM
3 THE SOLUTION
1. a. Ownership, Market Cap, Assets

**Ownership**
- Government: 52.1%
- Public: 47.9%

Telkom Indonesia is listed at:

**Indonesia Stock Exchange**
- Total Shares: 100,799,996,400 shares
- Market Capitalisation: IDR 471.7 Tn

**Share Price Trend**

**Top Market Cap (Rp. Tn)**
1. BBAC 495.5
2. TLKM 471.7
3. HMSP 449.0
4. UNVR 373.7
5. BRII 373.1
6. ASII 319.3
7. ASII 310.7
8. ASII 316.6
9. GGRM 226.8
10. LINT 119.4

**Top Trading Value (Rp Bn)**
1. TLKM 8,857
2. BBAC 7,679
3. BBRI 6,597
4. SMRT 5,611
5. ASII 5,034
6. PGAS 2,782
7. BRII 2,433
8. UNVR 1,763
9. BBRI 1,683
10. SMRT 1,612

**Data of 2017**
- **TSEL Coverage**: 99.9% Population
- **More Than 482 cities 4G LTE Coverage**
- **17.7 Mio Fiber Optic Homes Passed**
- **2.34 Mio Indihome Customer**
- **153.6K Km Fiber Optic Backbone Network**
- **Data Center**: Domestic: 102K sqm, International: 50K sqm
- **Customer Based**: 201.2 Mio
- **Customer**: Selular 190.4 Mio, Fixed Line 10.8 Mio, Broadband 85.1 Mio
- **Total Employees of TelkomGroup**: 25,149
Telkom Holding Structure

Telkom is conducting business in the field of integrated telecommunication services and network in Indonesia which operating domestically and abroad.

Telkom Group as a holding company with 43 subsidiaries that established to support an end-to-end ecosystem of TIMES services.

3 subsidiaries are sub-holding companies (Telkom Metra, Telin, and Telkom Property) consist of various entities...
## International Consortium

**Footprints**

- **15 International consortium**
- **64,6K km**

### Network in 26 Countries

<table>
<thead>
<tr>
<th>No</th>
<th>Countries</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Singapore</td>
<td>Wholesale voice &amp; internet, CDN, enterprise data, Data Center,</td>
</tr>
<tr>
<td>2</td>
<td>Hongkong</td>
<td>Wholesale voice, enterprise data, MVNO</td>
</tr>
<tr>
<td>3</td>
<td>Timor Leste</td>
<td>Mobile Network Operator</td>
</tr>
<tr>
<td>4</td>
<td>Taiwan</td>
<td>MVNO</td>
</tr>
<tr>
<td>5</td>
<td>Malaysia</td>
<td>MVNO</td>
</tr>
<tr>
<td>6</td>
<td>Australia</td>
<td>BPO, IT Outsourcing</td>
</tr>
<tr>
<td>7</td>
<td>Myanmar</td>
<td>Internet Wholesale</td>
</tr>
<tr>
<td>8</td>
<td>Macau</td>
<td>MVNO</td>
</tr>
<tr>
<td>9</td>
<td>USA</td>
<td>Managed service &amp; network peering</td>
</tr>
<tr>
<td>10</td>
<td>Arab Saudi</td>
<td>Co-Branding Mobile Cellular services</td>
</tr>
<tr>
<td>11</td>
<td>New Zealand</td>
<td>BPO</td>
</tr>
</tbody>
</table>

**International Data Center**

- **50Km²**

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*Image: International network footprint with points of presence in various countries.*
# AGENDA

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TELKOM AT GLANCE</td>
</tr>
<tr>
<td>2</td>
<td>THE PROBLEM</td>
</tr>
<tr>
<td>3</td>
<td>THE SOLUTION</td>
</tr>
</tbody>
</table>
Digital Business Disrupt Telco Business

Voice Usage Forecasting 2017-2022 in Global

Traditional Voice Usage VS VoB Apps Usage...

CAGR [2017-2022]

Voice Usage, Monthly MoU per Subscriber

SOURCE: Analysys Mason & Statista 2016
The TIMES market is growing quickly and value is shifting into ‘Digital’ both globally and in Indonesia.

**Global TIMES Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>USD Bn</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6.294</td>
<td>+3%</td>
</tr>
<tr>
<td>2021E</td>
<td>5.198</td>
<td></td>
</tr>
</tbody>
</table>

- Telecommunications: 5.198 USD Bn
- Consumer Digital: 1,563 USD Bn
- Enterprise Digital: 2,459 USD Bn
- Traditional Media: 1,061 USD Bn

**Indonesian TIMES Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>IDR Tn</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>719</td>
<td>+12%</td>
</tr>
<tr>
<td>2021E</td>
<td>356</td>
<td>+9%</td>
</tr>
</tbody>
</table>

- Traditional media: 113 IDR Tn
- Consumer Digital: 216 IDR Tn
- ICT/Enterprise Digital: 21 IDR Tn
- Mobile Data: 111 IDR Tn
- Fixed BB/enterprise connect.: 63 IDR Tn
- Mobile legacy: 8 IDR Tn
- Fixed legacy: 80 IDR Tn

Value shift:
- Digital related businesses: +32% CAGR
- Mobile Data: +14% CAGR
- Fixed BB/enterprise connect.: +22% CAGR
- Traditional media: +9% CAGR
- Consumer Digital: +17% CAGR

Digital Related Revenue Share:
- 2015: 41.7%
- 2021E: 70%

*Adjusted from CSS 2016-2020 in device, payment, and retail logistic financial model.
Revenue growth rate began to decline in 2016.

<table>
<thead>
<tr>
<th>Year</th>
<th>TLKM</th>
<th>ISAT</th>
<th>EXCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7.5%</td>
<td>6.4%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2014</td>
<td>8.1%</td>
<td>1.0%</td>
<td>10.3%</td>
</tr>
<tr>
<td>2015</td>
<td>14.2%</td>
<td>11.1%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>2016</td>
<td>13.5%</td>
<td>9.0%</td>
<td>-6.7%</td>
</tr>
</tbody>
</table>

↓ 0.7 %
↓ 2.1 %
↓ 4.2 %
Other Challenges

- People Culture
- Organization Structure
- Business Processes
- Heavy on Physical Assets
Volatile: The environment demands you react quickly to ongoing changes that are unpredictable and out of your control.

Uncertain: The environment requires you to take action without certainty.

Complex: The environment is dynamic, with many interdependencies.

Ambiguous: The environment is unfamiliar, outside of your expertise.
AGENDA

1. TELKOM AT GLANCE
2. THE PROBLEM
3. THE SOLUTION
**The Digital DNA**

**The What:**
Using digital technology to transform the customer experience, operational processes and business models

**The How:**
Successful transformations depend as much on how firms manage digital transformation than solely on implementing new technologies

Figure 3: Building blocks of the digital transformation

Customer Experience
- Customer understanding
  - Analytics-based segmentation
  - Socially-informed knowledge
- Top line growth
  - Digitally-enhanced selling
  - Predictive marketing
  - Streamlined customer processes
- Customer touch points
  - Customer service
  - Cross-channel coherence
  - Self-service

Operational Process
- Process digitization
  - Performance improvement
  - New features
- Worker enablement
  - Working anywhere anytime
  - Broader and faster communication
  - Community knowledge sharing
- Performance management
  - Operational transparency
  - Data-driven decision-making

Business Model
- Digitally-modified business
  - Product/service augmentation
  - Transitioning physical to digital
  - Digital wrappers
- New digital business
  - Digital products
  - Reshaping organizational boundaries
- Digital globalization
  - Enterprise integration
  - Redistribution decision authority
  - Shared digital services

Digital capabilities
- Unified Data & Processes
- Analytics Capability
- Business & IT Integration
- Solution Delivery

Source: MIT Center for Digital Business and Capgemini Consulting, 2011
### DIGITAL LEADERSHIP CRITERIA

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Envisioning</td>
<td>Create a shared transformative vision of the digital future</td>
</tr>
<tr>
<td>Engaging</td>
<td>Engage employees at scale to make vision a reality</td>
</tr>
<tr>
<td>Governing</td>
<td>Establish strong digital governance to steer the course</td>
</tr>
<tr>
<td>Technology Leadership</td>
<td>Fuse IT &amp; business communities to build digital skills &amp; transform technology platforms</td>
</tr>
</tbody>
</table>

Telkom Leadership Systems

External
7 C :
- Customer
- Channel
- Company
- Complementor
- Competitor
- Center
- Change (PEST)

PEST :
- Political-Legal
- Economical
- Socio-culture
- Technology

Shareholders & Other Key Stakeholders

Internal
BFA :
- Marketing
- Financial
- Operational
- Human Resource
- Innovation

External Environment Analysis
7 C, PEST (TO)

EFAS :
- Opportunities & Threats

IFAS :
- Strength & Weakness

Internal Environment Analysis
BFA (WS)

ANALYSIS
Strategic Situation Analysis (SSA)

DECISION
Strategy Formulation (SF)

ACTION
Strategy Implementation (SI)

PERFORMANCE
Strategy Evaluation and Control (SEC)

Feed Back for Breakthrough and Continuous Improvement

Key Performance Indicator (KPI)
Management Review *

*1 Management review is conducted weekly, monthly, quarterly in every level of organization.
Leadership Architecture of Telkom Group

Leadership Practices to be the Winner is the standard key behaviors and actions towards winner-mental.

- **Mega thinking, Leader as Father, Energize People** are the implementation of Lead by Heart
- **Corporate Strategy, Business Strategy and Functional Strategy** are the implementation of Managed by Head

Leadership Principles to be the Star as core values, requires two things:

- **Lead by Heart** is the principle to lead people as lead self – Heart/Rasa
- **Managed by Head** focus on managing organization and business to win the competition using the logical thinking – Head/Rasio

Leadership Philosophy to be the Best as basic belief, requires two things:

- Creating **Harmony** between Heart and Head and
- Implementing **Synergy** between Spirit and Strategy.

A Great Leader is about the harmony of Managed by Head and Lead by Heart and also balance in Raga – Rasa – Rasio – Ruh (4R)

*Physical – Emotional – Rational – Spiritual*
THE BIG STEP: SHIFTING THE VISION

Deep Understanding

1. Declining growth of legacy business was still continuing.
2. Enterprise value were shifting to digital related businesses.
3. The Strategic Objective was no longer valid.
4. The Portfolio strategy did not fit anymore.
5. The parenting model was no longer fit to enhance customer experience.

Vision:
To become a leading TIMES Player in the Region

Corporate Strategy:
- Sustainable competitive growth
- Converged TIMES portfolio
- Strategic Guidance

Strategic Objective:
Superior value & IDR 300 T Market Cap in 2015

APAC’s Rank

Rank #12 APAC Telcos IDR 312 T market cap

Financial Outlook

2015 – 2020 CAGR
- Rev : 18%
- EV : 15%
- Market : 10%

2016 – 2020

New Vision:
Be the King of Digital in the Region

Corporate Strategy:
- Disruptive competitive growth
- Customer value through digital TIMES portfolio
- Strategic Control

Strategic Objective:
Top 10 Market capitalization Telco in APAC by 2020

Top 10 Rank TELCO in APAC by 2020

APAC’s Rank

Revenue EV Market IDR Tn

101 320 374

TO GAIN higher value, Telkom consider:
1. Competition Landscape trend which Moves from Industry to Arena (From Product to Experience)
2. New Paradigm to be Disruptive: Customer experience, Digital and Lean

* Market: Outlook of Indonesian TIMES Revenues
1. Transforming People (Mindset & Capability)

GREAT PEOPLE
"Shifting to Digital Competence & Style"

Challenges:
• Less digital technical and leadership skill & knowledge and rarely global exposure for employees
• Lack of digital company certified employees
• Outdated Human Resource programs with digital enhancements/ international talents

Technical Skill Development
1. Based on Job Family
   • ICT & Digital
   • Strategic Plan & Dev’t
   • Commerce & Relation
   • Risk & Compliance
   • Business Enabler
2. Business recommendation
3. Knowledge Management
4. Scholarship & GTP / NTP
5. Certification

Personal Quality Development
• Recruitment (Sociodigi, ProHire, Web recruit, Scouting)
• Assessment
• Post Assessment Development
• Coaching & Counseling

Leadership Dev’t
• Great People Dev’t Program (GPDP / GPMP)
• Executive Dev’t Program

Great Leader
&
Great People
with
Digital Competency & Style

Measurements:
Workforce Productivity

Workforce Engagement

Employee Engagement Survey, CBHRM online measurement
1. In both global & local markets, TIMES are still growing, but telco legacy business is decreasing.

2. Telkom’s market share in Indonesia telco industry is dominant (est. 67%), but lower scale presence in ICT and digital services. (est. 16%).

3. How can we shift to be more digital with an end to end solution for each customer?

### Business Transformation to Assure Business Sustainability

**Challenges**

- **Vision**
  - Be the King of Digital in the Region

- **Mission**
  - Lead Indonesian Digital Innovation and Globalization

- **Strategic Objective**
  - Top 10 Market Capitalization Telco in Asia-Pacific by 2020

### Corporate Strategy

- **Directional Strategy**
  - Disruptive Competitive Growth

- **Portfolio Strategy**
  - Customer value through digital TIMES portfolio

- **Parenting Strategy**
  - Strategic Control

**To achieve “The King of Digital”**

### Business Transformation to Assure Business Sustainability

#### Converged TIMES to Customer Value Through Digital TIMES

**Product Portfolio**

<table>
<thead>
<tr>
<th>Product Portfolio</th>
<th>T</th>
<th>I</th>
<th>ME</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td></td>
<td></td>
<td>ME</td>
<td></td>
</tr>
<tr>
<td>Fixed</td>
<td></td>
<td>I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; International</td>
<td></td>
<td></td>
<td>ME</td>
<td></td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td></td>
<td>I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise digital</td>
<td></td>
<td>I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Life &amp; Smart Platform</td>
<td>ME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extensive Services</td>
<td>S</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Others**

- CFU/ FU Structure
- Telkom Group CEO
- Higher Experience

**FU DSP, FU Finance, FU HC, FU NITS**

- FU Finance
- FU HC
- FU NITS
3. Transforming Culture

Strengthening Corporate Culture through Culture Activation

**Challenges:**
- Living the Telkom Way in the Group
- Adopting digital culture and Millenial expectation
- World class culture in Digital era

**Formulation**
- Leadership Involvement
- Build and Strengthen Culture Agent
- From Culture to Customer Experience Program
- Finding and promote Culture Heroes

**Socialization**
- Top down mechanism up to the smallest unit
- Innovative Communication
- Leader talks values

**Activation**
- Leadership Involvement
- Build and Strengthen Culture Agent
- From Culture to Customer Experience Program
- Finding and promote Culture Heroes

---

**CEO:** “I am the role model”

**Disruptive and Digital Culture is Deployed through Systems**
Diarium: Internal Social Media

**Promoting Digital Workspace**
Employee Shuttle Bus (WIFI, Mini Office)

**Entropy Score Reference**
- **< 10%:** Budaya organisasi SEHAT
- **11 - 20%:** KURANG SEHAT, memerlukan beberapa perbaikan
- **21 - 30%:** TIDAK SEHAT, masalah-masalah signifikan yang memerlukan perbaikan segera
- **31 - 40%:** SANGAT TIDAK SEHAT, situasi serius yang memerlukan intervensi dan perbaikan kepemimpinan segera
- **> 41%:** SITUASI Kritis, memerlukan perbaikan kepemimpinan untuk menghindari kegagalan organisasi

**Entropy:** Energy used for unproductive activities at work environment

2014: 9% | 2015: 9% | 2016: 6%
"The Strength of the team is each individual member. The strength of each member is the team."

"Our speed is our competitive advantage."

"Work smart is not how hard you work, but how much you get done."

"Smart enough is not enough. Disruptive is a must." - CEO -
## IMPLANT AMOEBA PROGRAM

A LAB TO DEVELOP THE CULTURE OF EXPERIMENTATION, COLLABORATION AND DESIGN THINKING

### DIGITAL AMOEBA PROGRAM

<table>
<thead>
<tr>
<th>Activities</th>
<th>SELECT</th>
<th>DEVELOP</th>
<th>INCUBATE</th>
<th>ACCELERATE</th>
<th>GRADUATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>teams &amp; innovation ideas to be incubated</td>
<td>3 months boot-camp for teams to validate ideas</td>
<td>new career pathway to continue validating ideas for selected teams</td>
<td>integrate validated ideas to Group’s businesses to be accelerated</td>
<td>transfer validated ideas to commercial implementation</td>
</tr>
</tbody>
</table>

### WHAT

- **SELECT**
  - teams & innovation ideas to be incubated
- **DEVELOP**
  - 3 months boot-camp for teams to validate ideas
- **INCUBATE**
  - new career pathway to continue validating ideas for selected teams
- **ACCELERATE**
  - integrate validated ideas to Group’s businesses to be accelerated
- **GRADUATE**
  - transfer validated ideas to commercial implementation

### WHY

- **DIGITAL INNOVATIONS**: no options than to go digital & TG plans to be King of Digital
- **UNCERTAINTIES**: digital innovations face unknown problems & unknown solutions
- **TOUGH PRIORITIZATION**: small but many projects vs limited resources
- **SLOWER PACE**: albeit high capital, corporate innovations couldn’t defeat start-up speed
- **HISTORY**: it’s 9 years already, TG has not produce significant disruptive innovations

### HOW

- **PEOPLE**: incubate new environment, culture and skills match with market trends
- **PROCESS**: nurture lean processes inside corporation, with corporate-level impact
- **TOOLS**: create digital mastery showcase, targeting exponential results
- **STRUCTURE**: create nimble & agile teams inside big corporation to win the customers
- **NETWORK**: don’t fight, but work like & with start-ups and innovation ecosystem

### GOAL

- **CREATE THE TEAMS**
- **BUILD THE SYSTEM**
- **EMBRACE INNOVATIONS**

### FOCUS

- Fully dedicated small teams, clean-up project priorities

### FOUNDER

- Fully authorized small teams, clearer meritocracy new career path

---

**Divisi Digital Service**
GOAL OF THE PROGRAM

CREATING INNOVATION TEAMS & SYSTEMS, TO EMBRACE 5 AREAS OF DIGITAL INNOVATIONS

Improve Telkom Group’s Customer Experience

Create new profit engine for Telkom Group

Create new ways to monetize existing Telkom's assets, products & services

Strong management system (business, human capital, finance) to grow innovation all over Telkom Group, anywhere, anytime

Strong, agile, nimble innovation teams to enter the new markets

2017 Target
6 batch x max. 15 teams = max. 90 teams developed
50% continue incubated

Improve employee satisfaction & passion in working for Telkom Group

Improve effectiveness & efficiencies on current Telkom’s operations

Business Operations
(6% do NOT invest in this type)

Employee Experience
(25% do NOT invest in this type)

New Business Models
(45% do NOT invest in this type)

New Products/Services
(15% do NOT invest in this type)

Customer Experience
(11% do NOT invest in this type)

4.02

2017 Target
Basic patron formed (60%):
Operating Model & Governance Model

1. A digital innovation is a new (from the point-of-view of your company) or significantly improved product, service, or process that relies in large parts on digital technologies such as social, mobile and cloud computing, analytics or internet of things technology.

Source: 2016 MIT CSR Survey on Digital Innovation (N=201),
PROGRESS TOP 10 AMOEBA

Team under Acceleration
13 Digital Product
9 Digitization

### TOP 5 Digital Product

<table>
<thead>
<tr>
<th>Product</th>
<th>Revenue</th>
<th>Goal Big Bang on Jan ‘19</th>
</tr>
</thead>
<tbody>
<tr>
<td>BigBox</td>
<td>Rp 4,2 B</td>
<td>(56%)</td>
</tr>
<tr>
<td>On-premise big data solution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arkademy</td>
<td>Rp 1,6 B</td>
<td>(64%)</td>
</tr>
<tr>
<td>E-learning &amp; career platform for vocational student</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imajaya.id</td>
<td>Rp 590 M</td>
<td>(33%)</td>
</tr>
<tr>
<td>AR/VR service provider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spinmiik</td>
<td>Rp 378 M</td>
<td>(126%)</td>
</tr>
<tr>
<td>Design thinking service provider</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeager</td>
<td>Rp 165 M</td>
<td>(8%)</td>
</tr>
<tr>
<td>IoT performance management system for manufactures</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOP 5 Digitization

<table>
<thead>
<tr>
<th>Product</th>
<th>Goal Big Bang on Jan ‘19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temps</td>
<td>(100%) 7 TREG</td>
</tr>
<tr>
<td>Project management web based application</td>
<td></td>
</tr>
<tr>
<td>OCA</td>
<td>(66%) 2 TREG</td>
</tr>
<tr>
<td>Voice bot helpdesk assurance</td>
<td></td>
</tr>
<tr>
<td>OneCall</td>
<td>(66%) 2 TREG</td>
</tr>
<tr>
<td>Mobile apps appointment &amp; real data customer indihome</td>
<td></td>
</tr>
<tr>
<td>KetiK</td>
<td>0% 0 TREG, under development</td>
</tr>
<tr>
<td>Network monitoring &amp; predictive analytics system</td>
<td></td>
</tr>
<tr>
<td>Ombit</td>
<td>0% 0 user, under development</td>
</tr>
<tr>
<td>Telkom’s digital catalogue product</td>
<td></td>
</tr>
</tbody>
</table>

3 Amoeba’s failed decision is obtained through Monitoring and Evaluation (Monev) or Amoeba Committee’s Session

No | AMOEBA |
---|--------|
1  | -      |

as per 30 November 201
4. Transforming Organisation

Great Organisation to be Fit with Business Strategy & Challenge

Challenges:
• Time to market and channel conflict
• Customers today want things simpler, faster and delivered by people and companies that truly care and listen to them
• Complex collaboration among the Group

Structure Align with Business Strategy:
• Adaptive to market’s response
• CFU-FU based organisation & streamlined control over the subsidiaries
• Customer segment oriented to deliver customer experience
• Dedicated unit to supervise synergy value to create:
  ✓ Revenue growth up to 15.6%
  ✓ Maintained Cost growth less than 9%
  ✓ Cash out saving by intercompany transaction around 20%

CEOmics
Creative Comm CFU/ FU
E-Learning CFU/ FU
CFU/ FU Measurement
Understanding

Anugerah Perusahaan Terbuka Indonesia 2016
Economic Review

IICD Award 2016
The Best State Owned Enterprise
Indonesian Institute for Corporate Directorship

TOEi 2016
Telkom Organization Effectiveness Index
Kategori: Very good
Nilai diatas Rata²
Perusahaan Tbk Nasional
By Andrew Tani Consultant
Lean and Effective Business Process to Support Transformation Towards King of Digital

Challenges:
• Performance Organization transformation
• Speed response to market
• Short decision making process
• Digital ecosystem solution
• Unlocking The Collaboration & Synergy Resources

Business Process Based on :
- eTOM*
- ICOFR*
- RISK PROFILE
- SYNERGY

Business Process align with Structure:
• Lean Business Process
• Risk & Control Based
• Application Control Process
• Speed and accurate remediation
• Strong collaboration & synergy

*eTOM: enhanced Telecom Operation Map
ICOFR: Internal Control Over Financial Report

Improvement Business Process

Internal Control Compliance Assessment (ICCA) Application

COSO Framework Implementasi Kebijakan Manajemen Risiko

Jan 2017
KPKU BUMN 2016
awarded as Industry Leader with score 730.50

Based on the assessment, the management has concluded that as of December 31, 2016, the internal control over financial reporting was effective.
CONCLUSION
PROBLEM

**V**olatile
**U**ncertain
**C**omplex
**A**mbiguous

SOLUTION

**V**ision
**U**nderstanding
**C**ollaboration
**A**gilility
THANK YOU