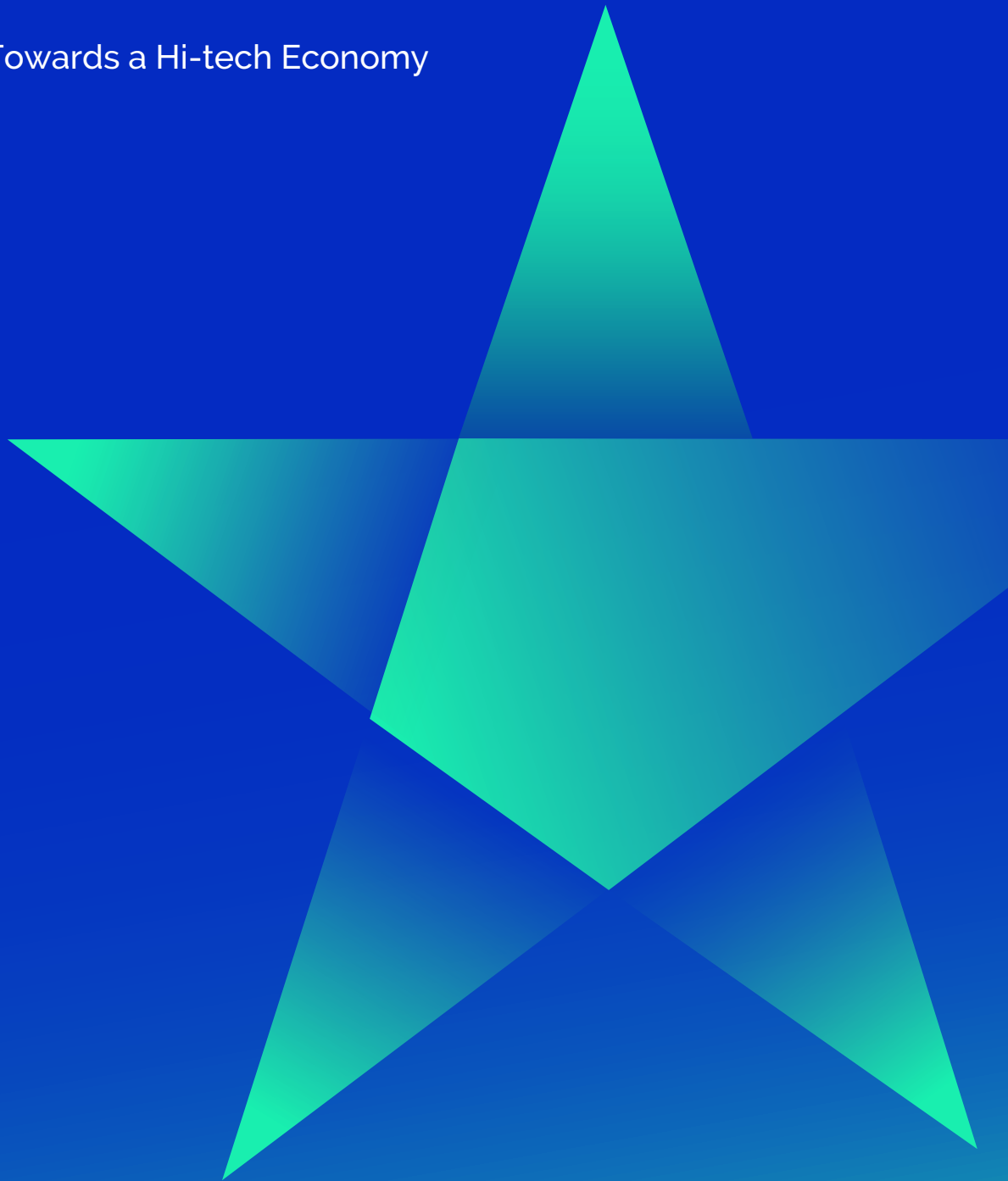




# SMART 4.0 VIETNAM

Roadmap Towards a Hi-tech Economy





Dec 2022

Consulus

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# Preface

## **How ready and resilient are Vietnamese enterprises for the disruptive changes of COVID-19 and Industry 4.0?**

Industry 4.0 refers to the age of digital innovation that we are currently experiencing. Businesses today are employing advanced and emerging technologies, adopting digitally transformed processes and practices, and designing smart and connected products and services. These digital innovations are expected to drive competitiveness, boost productivity, generate greater market share, achieve greater employee satisfaction, and improve society. The transformative impact on us raises the question on whether we have the ability to adapt and cope with the changes imposed by rapid technological advances.

In this 60-page report, we look at the readiness and resilience of 503 Vietnamese firms across eight industry groups. The insights are structured in a way that first gives an overall view of Vietnam's economy through eight industry groups, then deep dives into each industry group and finally provides practical recommendations and suggestions for Vietnam to be more ready for Industry 4.0 towards becoming a hi-tech economy, while consciously creating a systemic basis to tackle the challenges of Industry 5.0.

This report is a follow-up paper on the first whitepaper published by the School of Business Management at RMIT University, Vietnam (RMIT, 2022). A more detailed look at the survey demographics and methodology can be found in this whitepaper.

“

We stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another. In its scale, scope, and complexity, the transformation will be unlike anything humankind has experienced before. We do not yet know just how it will unfold, but one thing is clear: the response to it must be integrated and comprehensive, involving all stakeholders of the global policy, from the public and private sectors to academia and civil society.”

**Klaus Schwab,**

Founder and Executive Chairman  
of the World Economic Forum, 2016<sup>1</sup>

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<sup>1</sup> The Fourth Industrial Revolution: What it Means, How to Respond

# Executive Summary

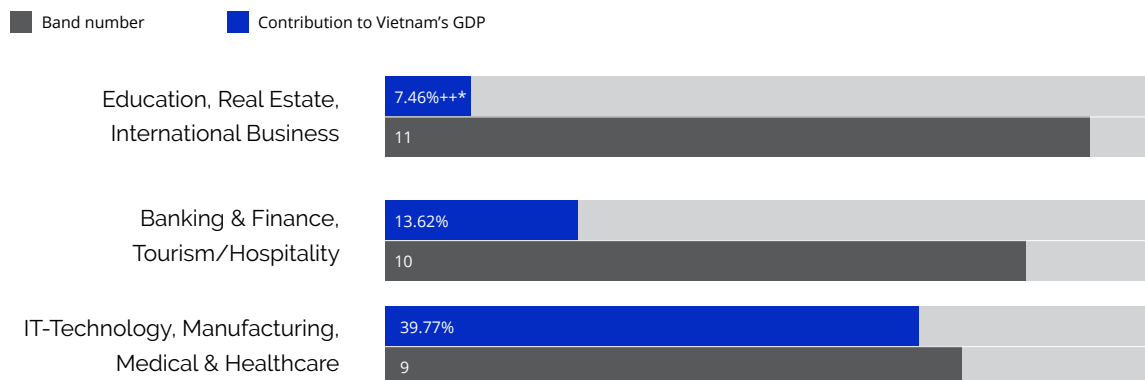
Based on what Consulus learned about organizations through their transformation work since 2004, RMIT Vietnam and Consulus decided to extend the learnings about organizations through embarking on this research project in June 2021. This research was initiated by the RMIT School of Business & Management Industry Advisory Board in Hanoi and undertaken in collaboration with a global innovation consultancy firm - Consulus Vietnam.

The aim of this research is to assess and form collective insights on Vietnam's readiness for Industry 4.0 and resilience in the post pandemic age, across enterprises of different sizes and ownership structures in key industries. It aims to measure the ability of each industry, and of Vietnam as a whole, to act in unity and create value in the age of disruption.

The research was conducted during the months of June and December 2021, with the participation of 503 respondents from 8 industries, including: Education, Banking and Finance, IT-Technology, Manufacturing, Medical/Healthcare, Real Estate, Hospitality/Tourism and International businesses with operations located in 6 main cities and provinces nationwide.



**Our research has identified the level of readiness for Industry 4.0 and resilience in the post pandemic age across 8 key industries as such:**



\* '++' indicates GDP contribution of International Business industry

## Our research has also identified three major aspects that companies in the key industries could work on improvement:

7/8



Industries

**have not updated their business model:** In our research we learnt that many companies are not ready for the coming wave of disruption in technology and they are still contented with doing business the usual way.

8/8



Industries

**do not review and redesign their decision making processes and lack in the use of market data, internal buy-in, and proper follow-through:** Many companies do not invest time to do things better but this is deeply due to a lack of purpose so a lot of staff do not really care about the work that they do.

6/8



Industries

**have not implemented a plan to harness data to shape business outcomes:** The other startling discovery is that if organizations bother to learn more about their work, they will actually have a lot of room for innovation. But because many organizations assume they already know enough about their own business, they take it for granted, limiting their ability to generate insights for growth.

## Accelerated Roadmap towards a Hi-tech Economy

Given the significant contribution of the 8 industries under this study to the GDP of Vietnam (Figure D), it's clear that the Vietnam economy would be in a stronger position to handle and overcome any disruptions brought by Industry 4.0, while consciously creating a systemic basis to tackle the challenges of Industry 5.0 if more industries could score Unity Band 3 across all 4 dimensions. Our research team highlighted 3 key recommendations for Vietnam to make sure businesses in key industries can remain agile and adaptable.

6/8



Industries

**require High level of support to develop Innovation Capabilities,** as in building and developing the capabilities to collect and harness internal insights so as to develop their own innovation method and intellectual properties. These six industries include: 'Education', 'Real Estate', 'International Business', 'Tourism-Hospitality', 'Manufacturing' and 'Banking and Finance'.

3/8



Industries

**require High and Medium level of support to transform the business,** in the areas of human capital development and brand experience. These three industries include 'Manufacturing', 'IT-Technology' and 'Healthcare/Medical'.

7/8



Industries

**require High and Medium level of support to digitalize,** beyond covering processes which were manual or done only with MS office tools. These seven industries include 'International business', 'Medical/Healthcare', 'Manufacturing', 'Tourism-Hospitality', 'Education', 'Real Estate', and 'Banking and Finance'.

These recommendations can be manifested in many levels and with the participation of multiple stakeholders, from ministries, industry associations, to higher education institutions, and international funding organizations.

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# About Consulus

Consulus is a Global Innovation by Design Firm. We help leaders, companies, and cities unite, transform and innovate to shape a better world.

## **Our Purpose:**

**Shaping a better and inclusive economic system, by helping leaders, companies and cities discover their better selves by enabling them to become the difference they are meant to be from the inside out.**

We are a firm driven by purpose with multidisciplinary capabilities from business, organization to design.

Since 2004, we have transformed companies, cities, and experiences from multi-nationals to start-ups in more than 20 cities around the world. Today we are present in Singapore (Global Headquarters) World Center), Americas, Asia, Europe, and Oceania.

Applying our proprietary UNIFY methodology to redesign business models, organizational cultures, and brand experiences, we help our

clients develop in-house capabilities so as to enable them to innovate more effectively and meet the complex challenges of the 4th industrial revolution, while opening up to the principles of trust, innovation purpose, creativity and inclusivity which characterize the 5th industrial revolution. Our clients include BIBD, Cyclelect, DST, Health City Novena, MTU and Sony.

Our custom-built solutions have allowed our clients to increase revenue by over 138%, expand to overseas markets, develop new products and intellectual property, and prepare the next generation of leaders to drive and sustain high-growth.

Consulus is a member of the Economy of Communion Global Network, a group of businesses, professionals and academics committed to shaping a new economic system that favors inclusive growth.

[www.consulus.com](http://www.consulus.com)

# Credits

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## Policy Advisory partners

**Embassy of the Republic of Singapore in Hanoi**

## Application advisory partners

**Small and Medium Enterprise Development Fund, Ministry of Planning & Investment**

**National Technology Innovation Foundation, Ministry of Science and Technology**

**U.S. Agency for International Development (USAID), Vietnam Office**

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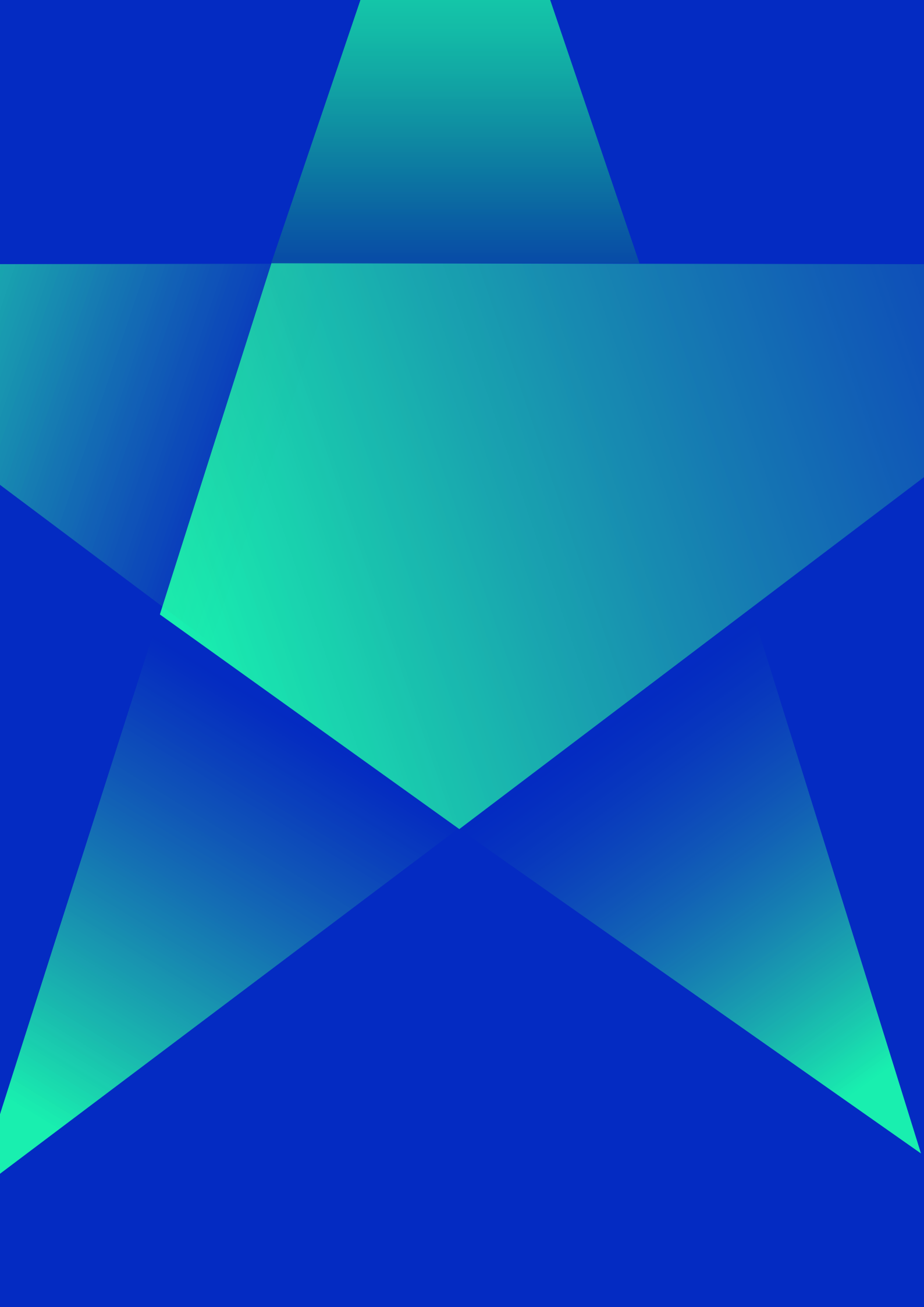
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