

Why More Global Organizations Are Advancing Digital Transformation in Vietnam

November 30, 2023



The relentless ebb and flow of geopolitics, economic and environmental conditions, and fluctuating labor and consumer markets all contribute to today's fluid and unpredictable global landscape.

In this evolving economy, where your organization conducts business is just as important as how it operates.

The confluence of Vietnam's geographic location and process technology has made it a digital hub that helps organizations flourish by replacing legacy infrastructure and siloed operations. The country offers

a rare combination of integrated solutions that makes it a rapidly growing destination for ambitious enterprises.

Overcoming Market Challenges

Success in the global marketplace requires organizations to optimize operational costs, enhance efficiency, scale operations, and foster strategic alliances within domestic and international ecosystems.

Forward-thinking enterprises such as Apple, Intel, Qualcomm, Foxconn, Canon, Samsung, LG, LEGO, Schaeffler, Cox Automotive, Airbus, E.ON, RWE, and Halliburton have begun working with partners based in Vietnam to establish digital transformation strategies as part of a holistic approach to global business.

Digital-native organizations based in Vietnam have developed the technical expertise and access to skilled personnel required to support efforts such as building global supply chains, managing cloud infrastructure, employing risk diversification, and enhancing performance optimization.

Unmitigated risks can disrupt operations, hinder growth, and erode profitability. That makes risk diversification the key to insulating organizations against market volatility. Sustainable operations in fast-growing world markets require working with agile, resilient vendors and partners and applying the right mix of technology tools to optimize performance.

Key factors for achieving profitability include speed, scalability, vendor consolidation, and cost containment. In addition, organizations doing business in global markets may need local support on a wide range of organizational and operational challenges, such as the following concerns.

Vendor consolidation and global presence. This includes services designed to streamline vendor management and support global operations. Vendor consolidation means both lower costs and more agile, adaptive, and efficient operations.

Migration and modernization. Digital transformation calls for a move from legacy software and infrastructure to cloud-based systems. This movement helps organizations significantly boost efficiency and reduce reliance on soon-to-be-discontinued mainframe products and retiring mainframe specialists.

Artificial intelligence (AI) and automation. These breakthrough solutions, especially with generative AI, enable companies to transform their ways of working, reinvent themselves, and achieve accelerated growth.

Skilled labor. It's critical that wherever global organizations locate their operations they can access a large and reliable pool of high-quality engineers, programmers, supply chain specialists, and global business experts.

Embracing Agile Best Practices

The business climate in Vietnam is conducive to foreign investment, export-oriented manufacturing, and technology-driven services.

Vietnam's economy, one of the fastest-growing in the world, is expected to benefit from the country's newly upgraded, comprehensive strategic partnership with the U.S. In particular, the new framework may encourage organizations based elsewhere to diversify their operations by working in Vietnam.

Global enterprises benefit from regional and local partners that can guide them on how to align people, processes, and technologies to drive innovation. Vietnamese technology companies are particularly well-positioned to work with organizations in the automotive, insurance, health care, and e-commerce sectors.

FPT Corp., a leading global information technology and IT service provider headquartered in Hanoi, operates in three core sectors—technology, telecommunications, and education—and employs more than 40,000 people. The corporation helps enterprises in a range of sectors apply agile best practices, such as organizational collaboration and alignment and strategic sourcing, in Vietnam and beyond.

Cox Automotive, based in Atlanta, worked with FPT to develop a consolidated strategic supplier program. “We knew there were cost optimization opportunities, but that was not our primary area of focus,” says David Brooks, chief technology officer at Cox. “We believed that by having a strategic partnership in place, we could ramp faster, fill any skill gaps, and enable flexibility in our workforce.”

Among other regions where its automotive presence is growing, FPT is supporting the sector’s paradigm shift in Vietnam from gas-powered to electric vehicles (EVs). Health care organizations are employing FPT’s Digital Health Platform to enhance performance, foster profitability, and adhere to stringent regulatory standards in Vietnam and other global markets. Insurance companies can also use FPT’s solutions to elevate customer experience and optimize efficiency and cost in operations.

In addition to its technology and telecommunications infrastructure, FPT’s global operations and diverse delivery model combines on-shore, near-shore, and offshore capabilities. This range enables FPT to develop customized solutions that help its partners implement digital strategies, boost performance, expand global networks, and hire skilled local talent.

Learning to Compete

Aligning education with industry needs is a top priority in Vietnam. Postgraduate education and training programs ensure organizations can access a pipeline of well-trained personnel for programming, management, finance, human resources, and project management.

FPT University, the country’s first privately owned university, specializes in information technology, business administration, and foreign languages. Since its 1999 launch, this university has proved critical to Vietnam’s education backbone, with a remarkable 96.5% employment

rate for new graduates. The university also ensures a robust pipeline of high-quality young talent for FPT globally, with over 30% of students working at different FPT subsidiaries upon graduation.

To accompany Vietnam's Digital Transformation Plan, FPT also promotes several education initiatives to prepare for a national labor force of 50,000 semiconductor engineers by 2030. One recent initiative is the newly opened Semiconductor Circuit Faculty at FPT University. As part of the company's recent partnership with Landing AI to drive application of and education in AI, FPT will also develop a comprehensive AI curriculum for Vietnamese students from grades 1 through 12.

Success in the global marketplace requires organizations to work with trusted partners that can help them recruit skilled workers and implement digital tools that support resilience, optimized performance, and sustainable growth. Increasingly, organizations are playing to win in Vietnam by building cross-functional, skilled teams and implementing innovative technology within the country's rapidly expanding economy.

Learn how FPT can help your organization start its digital transformation journey in Vietnam.