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Swim, not just float

Disruptive change need not come at the expense of existing business models. With Industry 4.0 technologies, organizations can optimize current processes as well as develop new strategies with a focus on innovation.



The comfort zone temptation: More protection, less disruption

Leaders have a real opportunity to create a holistic and transformative approach, enabling them to leverage the capabilities of Industry 4.0 to drive a smarter, more flexible organization.

Industry 4.0 creates many opportunities for organizations to use advanced technologies across their entire value chains, driving operational excellence and business growth in multiple areas from products and services to supply chains and key stakeholders such as employees, partners, and customers. And yet, despite the opportunities Industry 4.0 technologies create for innovation, leaders continue to use these technologies to protect themselves from being disrupted by others, rather than to find new opportunities to disrupt their markets.

In a recent global study of C-level executives, 56% of leaders noted that they prioritize investments in Industry 4.0 to protect their organizations from disruption by competitors, while just 26% prioritize Industry 4.0 investments with an eye toward disrupting competition with new ways of doing business.

What is Industry 4.0? A brief description

The concept of Industry 4.0 incorporates and extends digital connectivity within the context of the physical world in digital enterprises, networks, and ecosystems. This drives the physical act of doing business across interaction, production, distribution, and performance, in an ongoing cycle known as the physical-to-digital-to-physical (PDP) loop. Industry 4.0 technologies combine digital information from many different physical and digital sources, including the Internet of Things and analytics, additive manufacturing, robotics, high-performance

computing, artificial intelligence and cognitive technologies, advanced materials, and augmented reality.

Defining it is the first step to doing it

Leveraging technology for protection involves using it to optimize existing processes, in other words, to do the same things better, faster, more safely, or more efficiently. Protection is often associated with defending or improving bottom lines through cost reduction and efficiency gains, and with operational excellence.

On the other hand, using technology for disruption involves doing something wholly new, either to drive new processes and recognize new efficiencies, to grow revenue by developing new or innovative products and services, or to drive new business models. Traditionally, disruption has meant a change that either upends an established market or industry or creates an entirely new one. Disruption can lead to established market leaders losing their dominance to new types of competitors that typically did not exist in their industry, or finding

themselves up against companies from other industries as lines between industries grow more blurred.

Both protection and disruption strategies can be valuable and critical for organizations, and they gradually scale up. To encapsulate the range of innovation organizations can explore and combine, it may therefore be more accurate, for the purposes of our analysis, to refer to “disruption” as strategic or transformational innovation.

Challenging the status quo: Applying transformational innovation in the organization

Monitoring and analyzing how leaders are investing in Industry 4.0 technologies and capabilities, and to what end, can help shed light on how their organizations are considering putting transformative technologies into practice.

Research has shown that disruption can exist along a continuum of innovation, with some approaches more dramatic than others. The choice need not be solely

between protection and full-on transformational strategies with nothing in between, and leaders can play in multiple areas across the innovation spectrum either singularly or simultaneously.

Why should companies want to move toward transformative innovation?

Deloitte’s research shows that, when done right, digital transformation has the potential to increase an organization’s revenue by up to 22 percent and EBIT by up to 19 percent.¹⁴ Further, organizations driven by innovation are nearly as likely to recognize significant return on investment (ROI) from transformative digital transformations as those that are driven by operational and production goals. Moreover, returns from investment focused on transformational innovation could be faster: Research shows that typically two years are enough to observe initial financial impacts, in terms of revenue and EBIT uplifts, from digital initiatives related to developing new products, services, and business models. At the same time, it could take up to five years to see the same results from more protective measures such as internal optimization.

Given that the benefits of digital transformation seem obvious, what are the barriers preventing companies and leaders from pursuing transformative innovation? The answer involves multiple considerations: having the right strategic mindset, the right mix of people and culture, along with having a clear plan of action, including timing and focus of investments. These considerations include a more focused set of questions: Do leaders know what they want from technology, and do they have a clear strategy for what they are trying to achieve with it?

“Leaders have a real opportunity to create a holistic and transformative approach.”

Thomas M. Döbler
Germany Energy, Resources & Industrials Leader, Partner
Deloitte Alemania

i For more information, go to www.deloitte.com/ec

The perseverance of resilient leadership

Building trust with courageous leadership.

A few months ago, we imagined “thriving” as leading our organizations to a better normal after the COVID-19 pandemic. Yet our responsibilities as leaders now are further compounded by concurrent challenges of racial injustices, climate change, and economic uncertainties. Getting to “Thrive” appears more arduous and lengthier than many of us imagined ... or hoped for.

The first wave and recurrences of COVID-19 continue to plague many parts of the world. Seventy-six percent of companies and many geographies in our most recent analysis are still in the Respond and Recover phases of the crisis.¹ In late July 2020, our biweekly Deloitte State of the Consumer Tracker told a tale of two worlds: increasing consumer anxiety in nine countries across five continents, including India, Chile, China, Australia, Spain, and the United States, but more positive sentiment in nine other countries (seven of which are in Europe). Varying epidemiology curves and local responses further complicate

matters for multinationals, which can't apply uniform playbooks and investment priorities across the globe. Even companies and geographies that have entered the Thrive phase realize that we are all in this long journey together, because our prospects are inextricably linked.

The future of each of our organizations, though, is not preordained. As resilient leaders, one of our most critical roles right now is to sustain: to sustain our people, many of whom are experiencing not only fatigue but more stresses than they ever have; to sustain our organizations in continuing to create value for all stakeholders; and to sustain society as it experiences multiple existential threats. But just as important, we must also sustain our own ability to lead so that we can continue to serve over the long journey ahead.

Sustaining our people

Our people are undergoing unprecedented levels of stress and uncertainty: workers who have suffered deep personal losses



from COVID-19 and/or racial injustices; parents stretching to navigate childcare and major uncertainties over schooling responsibilities while still meeting work commitments; even the loss of basic grandchild-grandparent physical connections. It requires both empathy and courage on our part to lead them forward.

As leaders, we need to empathize with and acknowledge the myriad challenges our people are currently coping with, many of which have no end in sight. Psychologists describe “ambiguous loss” as losses that are inexplicable, outside one’s control, and have no definitive endpoint.

Sustaining our organizations

Courage also means making short-term decisions with the long view in mind. Now more than ever, our organizations need to preserve and create value over the long term for all our stakeholders by supporting employment, our industries, the community, and the overall economy.

Crises typically prompt major opportunities such as accelerating innovations, expanding ecosystem relationships, anticipating changing market structures, and creating new business models. For example, the current health and social crises are prompting CEOs to rethink their business models.

CEOs believe that the pandemic has triggered an unprecedented need for structural and organizational changes.

Sustaining society

Sustaining society requires us as resilient leaders to take an even more active role in influencing social systems and structures for the greater good. Leadership for the greater good requires followership, and followership is engendered by trust.

We believe that trust is not ethereal, but rather is a tangible exchange of value; it is the currency of resilient leadership.

Within society more broadly, trust is needed now more urgently than ever, particularly amid the uncertainties of social disruption and the changing role of institutions.

Climate change is one area where coordinated action can make a difference. Deloitte is actively leading, convening, and/or participating in ecosystems of like-minded organizations, because tackling the world’s most complicated climate challenges requires teamwork on a massive scale.

Sustaining our ability to lead

We owe it to our people, our organizations, and society to be personally fit in mind, body, and purpose to serve them over the long haul. Facing what may be the most extraordinary leadership challenge in our lifetimes, the risk is that we will cross the depletion point before we recognize it. We must not only sustain others, we must sustain ourselves. Doing so means asking ourselves difficult questions.

To lead outward, you must first look inward, echoing Plato’s “know thyself.” In times of stress, it is easy for us as leaders to revert to old, less healthy patterns of leadership. I have found that the best leaders exhibit keen self-awareness and personal vulnerability.

The secret to productivity is not time management, but energy management. High-performing athletes engage in interval training, which tears down the muscle and then gives it a rest to rebuild itself stronger. Likewise, high-performing executives have perfected the art of oscillating between spending energy and recovering energy, following natural human rhythms of 90 to 120 minute periods of work punctuated by intentional short periods of recovery (which can be as simple as walking up and down the stairs or doing a puzzle) in a mental version of interval training.

Sustaining our impact

None of us know how long the COVID-19 crisis will last or the path the virus will take. Likewise, the major disruptions stemming from racial injustices, social inequality, climate change, and economic stress may further lengthen the path to a “better” normal. As CEOs, we are called upon to sustain through the crisis.

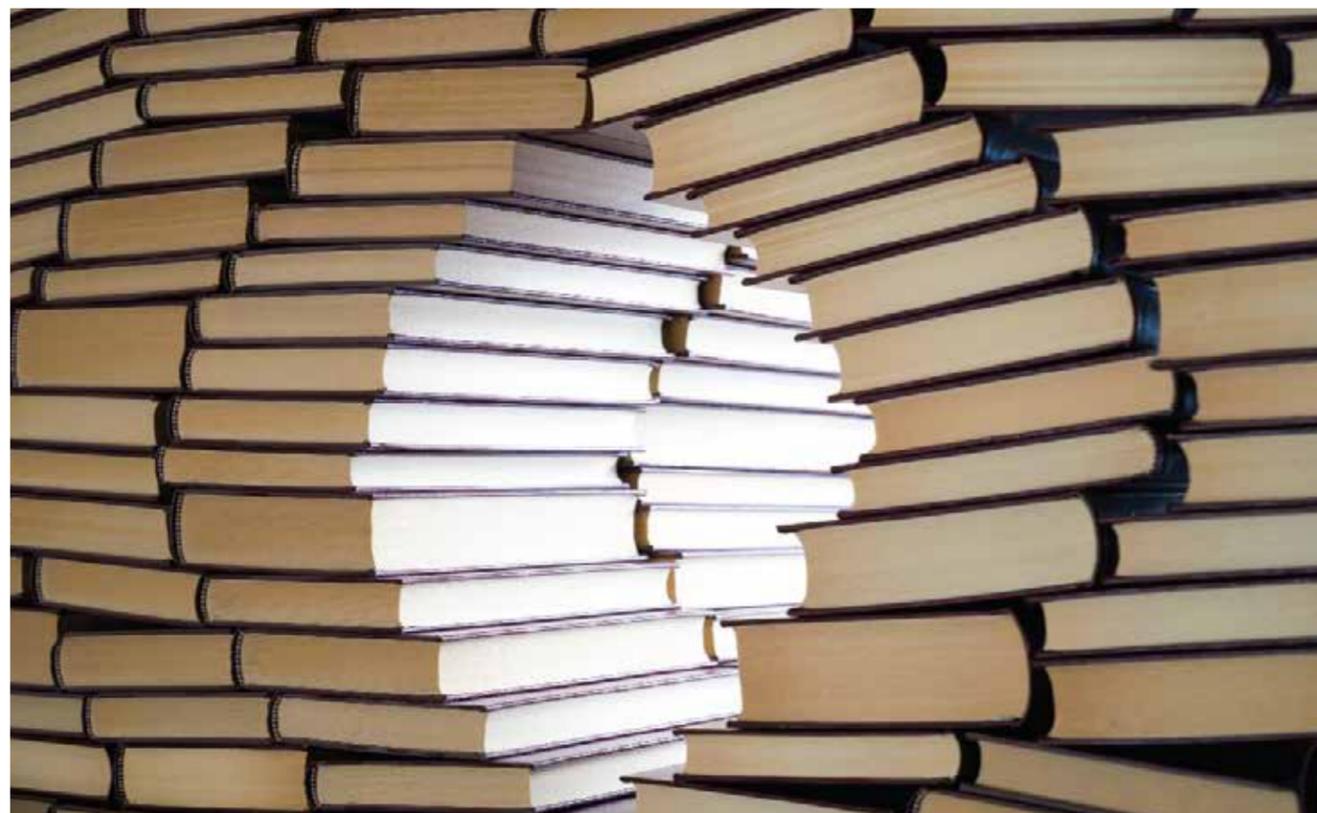
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The secret to productivity is not time management, but energy management.

Official gazette

Learn about the main Laws, Decrees, Resolutions and Agreements published in the Official Register.



We present the official records for the month of September:

Commercial Matter

Official gazette No. 259 Executive Decree No. 1110:

The entire contents of the "Trade Agreement between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Republic of Colombia, the Republic of Ecuador and the Republic of Peru, of the other part, are ratified."

Legislative Matters

Official gazette No. 260 Executive Decree No. 1113:

The General Regulations are issued to the Organic Law on Entrepreneurship and Innovation.

Executive Decree No. 1130:

The period for new productive investments to be eligible for the incentives set out in Articles 26 and 27 of Chapter II of the Organic Law for Productive Promotion, Attraction of Investments, Generation of Employment, and Fiscal Stability and Balance is extended for twenty-four (24) months.

Tax Matters

Official gazette No. 260 Executive Decree No. 1114:

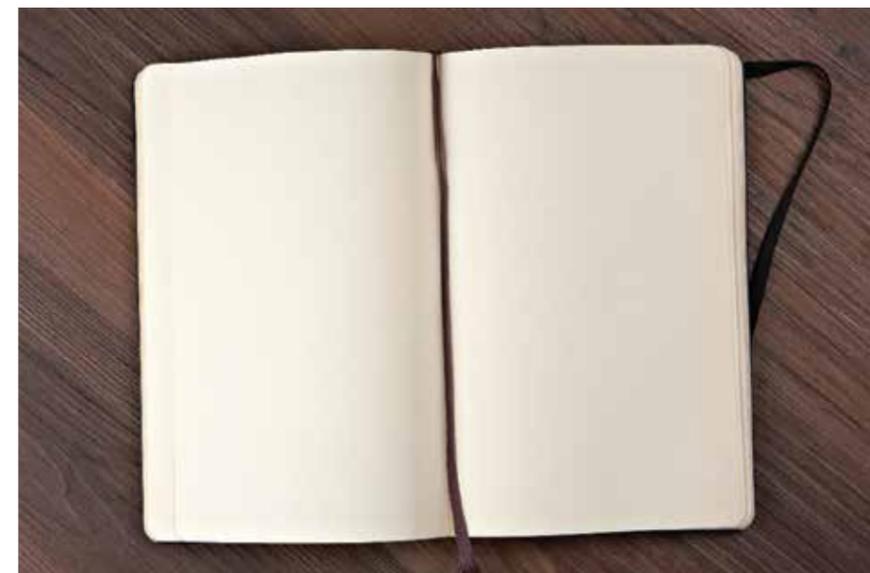
The Regulations for the Implementation of the Organic Law on Tax Simplification and Progressiveness are issued.

Official gazette No. 861 SPECIAL EDITION Resolution No. GADDMQ-DMT-2020-0015-R:

The terms and terms of all tax administrative processes are resumed since 29 June 2020, and the calculation terms of the charge action are also resumed from the same date.

Official gazette No. 888 SPECIAL EDITION Resolution No. NAC-DGERCGC20-00000052:

Resolution No. NAC-DGERCGC20-00000051 in relation to the rules of application for the advance collection of income tax from fiscal year 2020.



Official gazette No. 920 SPECIAL EDITION Resolution No. NAC-DGERCGC20-00000053:

The Tax Administration establishes the rules for the application of withholding, declaration and payment of value added tax (VAT) generated in the import of digital services rendered by subjects without tax residence in Ecuador, in favor of residents or permanent establishments of companies not resident in Ecuador, it shall apply from 16 september 2020.

Official gazette No. 925 SPECIAL EDITION Resolution No. NAC-DGERCGC20-00000045:

The Tax Administration establishes new values in the conversion of the number of non-returnable plastic bottles, recovered, or collected to their equivalent in kilograms.

Official gazette No. 925 SPECIAL EDITION Resolution No. NAC-DGERCGC20-00000046:

The Tax Administration reforms the technical standards for the implementation of the transfer price regime and modifies the methodology applied for the fulfillment of the principle of full competition in the banana sector, given by SRI Resolution No. 532.

Banking Matters

Official gazette No. 880 Resolution No. SB-2020-0590:

The count of terms and deadlines that were suspended by the health emergency and the state of emergency for the presence of COVID-19 is resumed.

Customs Matters

Official gazette No. 885 Resolution No. 010-2020:

Implementation as a mandatory support document Electronic authorization in the importation of goods or vehicles for use or care of persons with disabilities under tariff subheading 9805.00.00.00.

Official gazette No. 930 SPECIAL EDITION SENAE-SENAE-2020-0041-RE:

The National Customs Service of Ecuador establishes new reforms and guidelines to Resolution No. 11 of SENAE concerning the rules for the facilitation and guarantee of duties for the import of goods with tax exemption for the use of persons with disabilities.

Economic figures

We provide the economic figures for the following variables: Inflation, interest rates, Employment and unemployment, Trade Balance, Exchange Rate, among others.

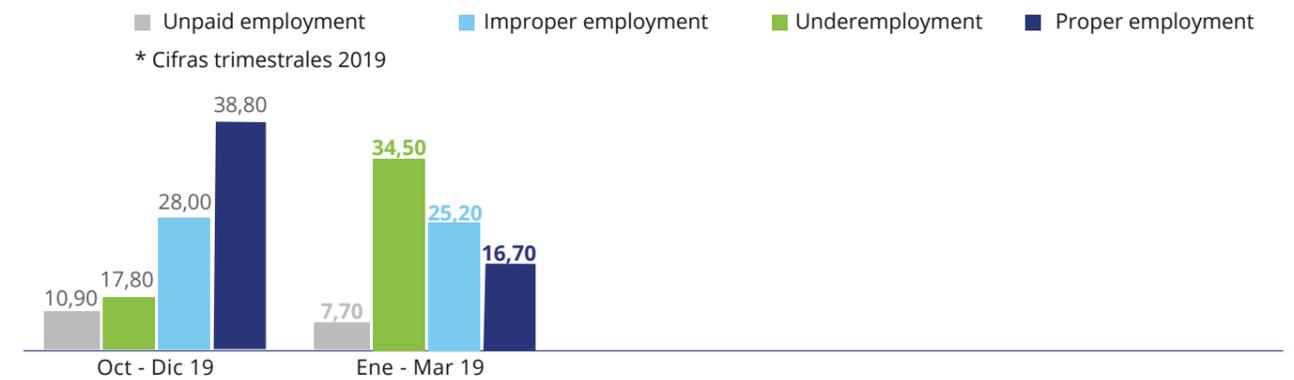
Currency	International Quote	Official Rate	Transactions	
			Purchase	Sale
Bolívar soberano	303.030,30	100.000,00	100.000,00	100.000,00
Euro	0,85	0,89	0,89	0,89
Libra esterlina	0,80	0,85	0,85	0,85
Nuevo sol	3,57	3,57	3,57	3,57
Peso argentino	73,85	73,86	73,86	73,86
Peso boliviano	6,85	6,91	6,91	6,91
Peso chileno	785,61	787,40	787,40	787,40
Peso colombiano	3832,89	3846,15	3846,15	3846,15
Yen	106,02	106,04	106,04	106,04
Real Brasil	5,62	5,62	5,62	5,62

01

01 Values express units of each currency that are obtained by every \$1US

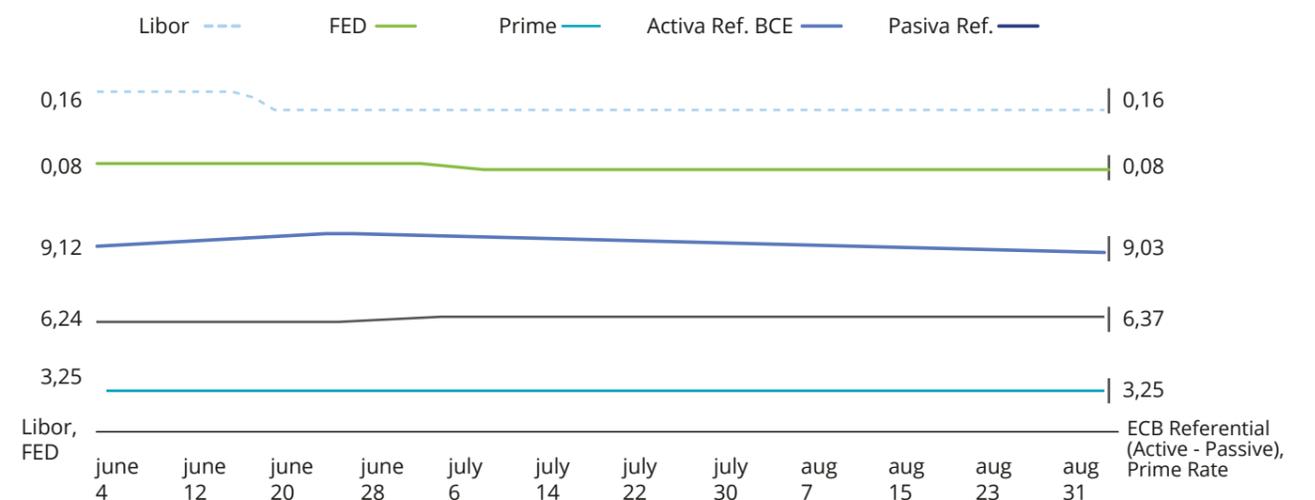
03 Reference rates

02 Evolution of indicators

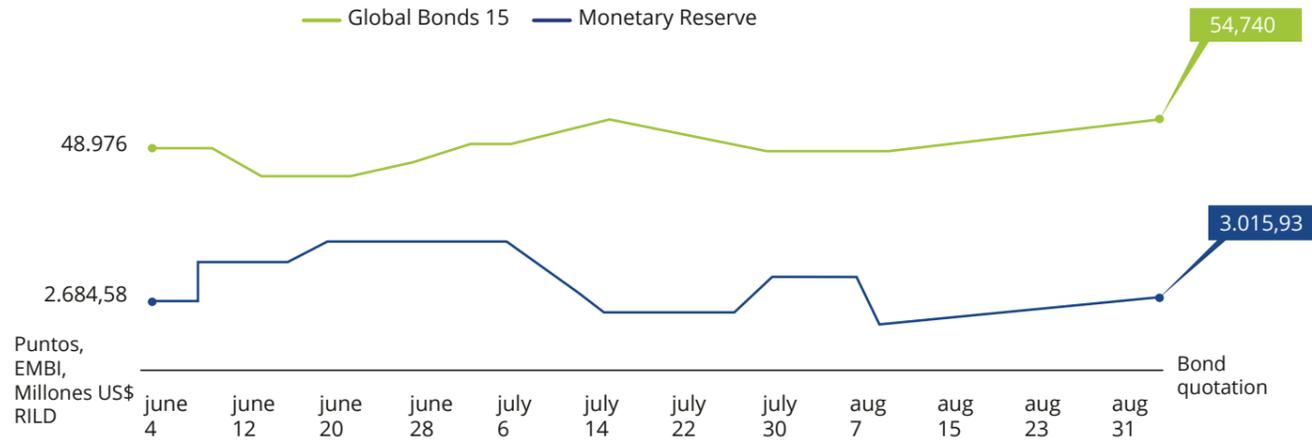


* Official information shows data for these months of 2020 only; indicators from January to April and from August to September 2020 have not yet been updated.

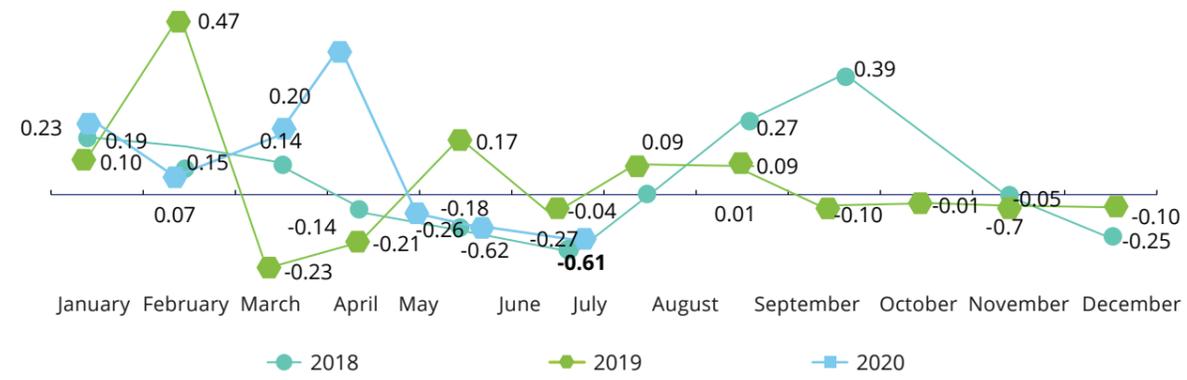
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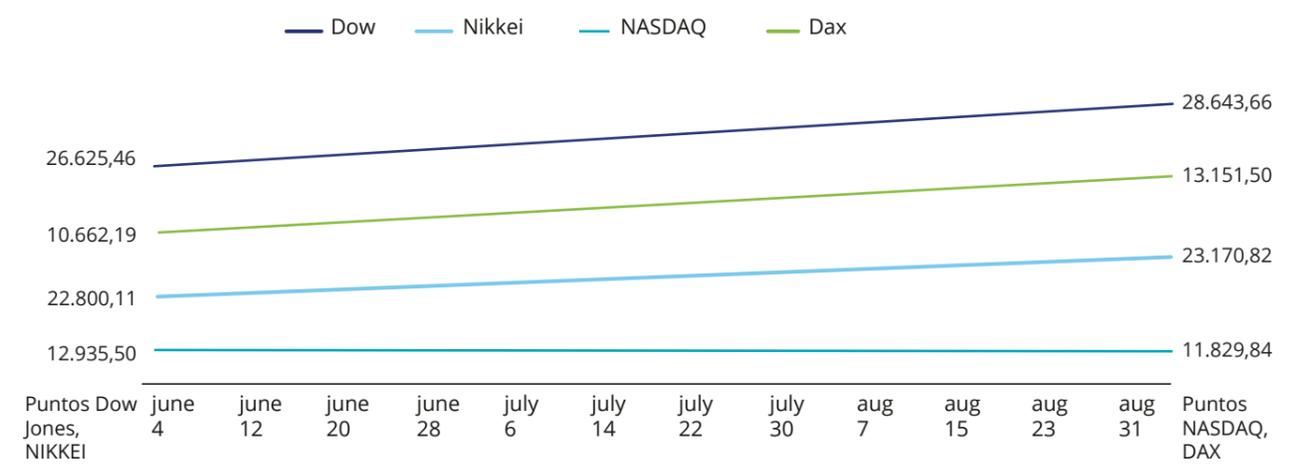
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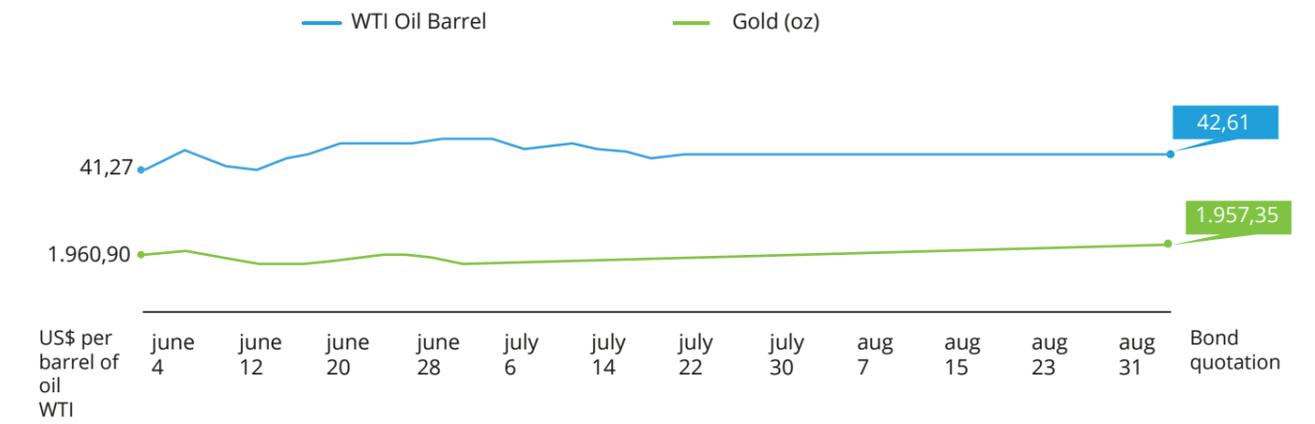
05

04 Global bonds 15 and RILD

05 Inflation



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06 Stock indexes

07 Raw material

Reference interest rates					Internationals				
Period	Basic of the Central Bank	Passive referential	Active Referential	Legal	Prime NY	Libor			
						30 days	90 days	180 days	360 days
2016	0,20	5,12	8,10	8,10	3,75	0,77	1,00	1,32	1,69
2017	0,20	4,95	7,83	7,83	4,50	1,51	1,64	1,79	2,07
2018	0,20	5,43	8,69	8,69	5,25	2,48	2,79	2,87	3,05
2019	0,20	5,70	8,82	8,82	5,50	2,50	2,74	2,82	3,02
January 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
February 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
March 2020	0,20	5,70	8,82	8,82	5,50	2,48	2,66	2,69	2,87
April 2020	0,20	7,20	8,40	8,20	3,25	0,44	0,89	0,92	0,94
May 2020	0,20	5,07	8,98	8,98	3,25	0,17	0,36	0,59	0,71
June 2020	0,20	6,24	9,12	9,12	3,25	0,17	0,36	0,59	0,71
July 2020	0,20	6,24	9,12	9,12	3,25	0,16	0,26	0,32	0,46
August 2020	0,20	6,37	9,03	9,12	3,25	0,18	0,23	0,30	0,44
September 2020									
October 2020									
November 2020									
December 2020									

Effective active interest rates calculated by the Central Bank

Credit segment	Corporate product	Reference rate	9,24%
		Maximum rate	9,33%
	PYMES product	Reference rate	11,25%
		Maximum rate	11,83%
	Consume	Reference rate	16,68%
		Maximum rate	17,30%
	House	Reference rate	10,19%
		Maximum rate	11,33%
	Microcredit extended accumulation	Reference rate	20,14%
		Maximum rate	23,50%

Source: Central Bank of Ecuador

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Interest rates

	2019					2020				
	Inflation					Inflation				
	Index	Month	Annual (12 months)	Annual (12 months)	Annual (Month * 12)	Index	Month	Annual (12 months)	Annual (12 months)	Annual (Month * 12)
January	105,77	0,47	0,47	0,54	6,58	105,45	0,23	0,23	(0,30)	2,77
February	105,53	(0,23)	0,24	0,16	(2,69)	105,29	(0,15)	0,07	(0,23)	(5,31)
March	105,31	(0,21)	0,02	(0,12)	(2,47)	105,50	0,20	0,27	0,18	2,42
April	105,49	0,17	0,19	0,19	2,07	106,56	1,00	1,28	1,01	12,75
May	105,48	(0,004)	0,19	0,37	(0,11)	105,28	(0,26)	1,01	0,75	(13,50)
June	105,45	(0,04)	0,15	0,61	(0,034)	105,62	(0,62)	0,39	0,17	(3,94)
July	105,54	0,09	0,25	0,71	1,03	104,27	(0,61)	(0,23)	(0,54)	(7,14)
August	105,54	0,09	0,25	0,61	(0,034)					
September	105,54	(0,10)	0,14	0,33	(1,20)					
October	105,42	(0,01)	0,13	0,70	(1,20)					
November	105,22	(0,70)	(0,06)	0,04	(8,40)					
December	105,51	(0,10)	(0,07)	(0,07)	(0,11)					

**The CPI indices (base: 2004=100) have been joined to the new IPC series (base: 2014=100).

09

Inflation developments



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