

Leading Digital Transformation

The focus of the Criticaleye Asia Leadership Retreat for 2015 was around how CEOs can build executive teams that are able to successfully drive large-scale change

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Reimagining the customer experience is especially difficult for Asia's CEOs and senior executives. It's harder for them to justify a radical overhaul of product or service delivery because, unlike those in the more mature markets of Europe and North America, their organisation is likely to be growing rapidly.

But that's not an excuse to shy away from change. China already has the world's largest population of digital consumers, with over 550 million mobile internet users and an infrastructure that's improving through the adoption of 3G and 4G networks. At Criticaleye's [Asia Leadership Retreat 2015](#), held in association with

Accenture, Cisco Systems and the China Europe International Business School (CEIBS), the focus was on how regional business leaders are adjusting their strategies to remain customer-focused in the face of new technology.

During the course of the two-day, Hong Kong-based Retreat, five themes emerged that executives need to bear in mind in order to succeed:

We're entering the next era of digital

Businesses will lose market share if they don't provide customers with the

latest digital services. **Olof Schybergson**, CEO and co-founder of design consultancy Fjord, which is part of Accenture Interactive, believes "we are now entering the third phase of digital – it will be as disruptive as mobile was and the web before that".

A significant element of this new era will be the connectivity of devices, which is why **Xiangli Chen**, Vice-President & Chief Technology Officer of GE China, argues that success will rely on the ability to integrate information and the industrial internet. "Less than one per cent of the data generated by machines is actually used at present. As this changes, data will become a goldmine." >



There's no question that investment in digital is accelerating. During the first nine months of this year, organisations in the Asia Pacific region invested approximately \$3.5 billion in financial technology, this compares to \$880 million throughout the whole of 2014, according to a report by Accenture.

Calling design gurus, social hackers and mobile evangelists

The onus is on organisations to be far more imaginative about recruitment at all levels.

John Brisco, Senior Vice President, Chief Information Officer and Chief Operations Officer for Manulife Asia, says the financial services company has introduced new roles in order to disrupt the business' status-quo, including "design gurus, social hackers and mobile evangelists".

He said: "They have enthusiasm and are passionate about what they are trying to create; they don't think within the traditional boundaries. The challenge is to deliver at pace – if you fail to do that, the type of talent you're bringing in will walk."

It's all part of a broader, strategic reappraisal of how services are delivered. "The way a life insurer and bank might traditionally go about a project would actually not allow us to win in the future," said **John**. "How do we create a mindset that lets us change the speed at which we do things?"

This is not only applicable to those in financial services. **Hera Siu**, Managing Director of Greater China for education company Pearson, described how she

“In China, you need to be very cost competitive in whatever you do”

brought in six new people to form her top team, each from a different industry.

She explained how "they were tasked with transforming the business by introducing a new service model, and they had to do this while moving at a faster pace than the organisation was used to".

From Shanghai to Silicon Valley, start-ups are changing the game

Corporates are paying serious attention to start-ups. **David Schillmoeller**, Chief Customer Officer of Prudential Corporation Asia, said there is an emphasis on cross-functional collaboration and partnerships that stimulate innovation: "It's helping with completely new ecosystem propositions – we have a great business model and we believe, by embracing disruption, we can make it better."

John of Manulife Asia commented: "We are developing a number of different partnerships with a variety of firms. This includes boutique start-ups in Silicon Valley and Shanghai that have pieces of the ecosystem which, in the future, might just differentiate us. We might not do something straight away, but we are creating relationships."

In Asia, China is the market that really matters

Although China's GDP growth rate may have fallen to 7.2 per cent, it would be foolhardy to suggest its economic power is waning.

Hellmut Schütte, Dean Emeritus of CEIBS, noted that for most companies, China continues to make up over 50 per cent of revenue in the region: "When you look at your global portfolio as a >

TWEETS FROM THE ASIA LEADERSHIP RETREAT 2015

- Trust is hard to build and only happens slowly
- To be successful in any market, you have got to be agile and you have to be prepared to evolve
- Customer expectations are transcending traditional boundaries
- WeChat is an incredible aggregator of businesses
- Platforms must be flexible enough so they can provide customers with the experience they want
- If you come to the conclusion that your company culture may not be right for China, you need to hold out
- Digital is moving from reactive to proactive. This radically changes how governments think about the provision of services to citizens



multinational and then survey economic GDP growth over the next ten years, only two countries matter: China and the US. They are the only countries where there will be a significant amount of additional money to grow your business.”

China demands respect. **Martin Cubbon**, Finance and Corporate Development Director of the diversified conglomerate Swire Pacific, commented: “The first thing you need to acknowledge when you enter a new market, such as China, is the odds are always stacked against you... There is asymmetry of information as the locals will always know more than you.”

It's important to coolly assess whether an organisation has the right culture for doing business and if the market dynamics are favourable. “In China, you need to be very cost competitive in whatever you do... because seemingly there is never an end to new capacity. No matter how good your product, if you can't compete on cost you've no chance of making money,” **Martin** added.

There is a renewed emphasis on leadership

Finding people with the right technical skills is only half of the battle for

corporates in the region. **Matthew Blagg**, CEO of Criticleye, noted: “There is no doubt that technology is changing the business landscape in Asia. However, I firmly believe that digital is an enabler and that an organisation's ability to succeed absolutely depends on the leadership qualities of the CEO and their senior executive team.”

Hera of Pearson commented on how important it is to remember that “hiring a team doesn't mean you have teamwork”. She explained that “you need each team member to work together and have a shared sense of purpose”.

As a way of creating this dynamic, she brought in KPIs and a scorecard for the team she had hired, using both quantitative and qualitative information to find out if they were aligned.

For **Ian Stone**, Criticleye Board Mentor and Non-executive Director of Chinese internet giant Tencent, it comes back to the CEO and their ability to build trust: “In my experience, the great leaders are able to demonstrate they really know the business to investors and stakeholders. They also respect the knowledge and expertise that's within the company and, in turn, command respect back.” ■

Featuring Commentary From:



Matthew Blagg
CEO
Criticleye



John Brisco
Senior VP, CIO & COO
Manulife Asia



Xiangli Chen
VP & CTO
GE China



Martin Cubbon
Finance & Corporate
Development Director
Swire Pacific



Hellmut Schütte
Dean Emeritus
CEIBS



David Schillmoeller
CCO
Prudential Corporation Asia



Olof Schybergson
CEO and co-founder
Fjord



Hera Siu
MD, Greater China
Pearson



Ian Stone
NED
Tencent

Contact the contributors through:
www.criticleye.com