Brazil, Russia, India, China and South Africa - the so-called BRICS nations. Why do we create these seemingly useful acronyms? Is it really appropriate to continue to combine them under one banner? And what are the talent challenges in each nation? Our in depth analysis of each of the BRICS countries provides some timely answers.

This issue of Observe – the eighth since we began publishing more than two years ago – exemplifies everything we set out to do. To be truly global in our coverage and to ask tough questions about issues which affect the C-suite world wide.

For example, we look at the human capital challenges affecting those looking to do business in an emerging Iran following the ending of sanctions. Anyone remotely interested in what the opportunities - and risks - are in trading with the second largest economy in the Middle East (after Saudi Arabia) should read our analysis.

We also look at the rising trend for independent consulting, so-called ‘womenomics’ in Japan, talent challenges in the energy sector, digital money and life beyond the MBA.

On a slightly lighter note we look at the development of ‘C’ titles in recent years. There have been (and still are) some extraordinary job titles around such as Chief Amazement Officer, Chief Happiness Officer and Chief People Officer.

As ever, we welcome your thoughts and opinions about the diverse coverage in this issue of Observe, so please do let us know by using one of the social media channels listed below.

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Chairman, Odgers Berndtson, Canada

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A range of news, reports, apps and research that affect the C-suite worldwide

RISE OF DIGITAL HUMANISM
According to Daryl Plummer, Vice President, Chief of Research and Gartner Fellow, companies are responding to the digital revolution by crossing lines of business and entering new markets. “Technologies that use the cloud, analytics and smart machines present obvious opportunities to reshape how people and companies work but the savvy CIO will also need to understand, and embrace, unfamiliar concepts.” Business algorithms that rise above simple computing routines will require IT departments to let go of control systems and process specifications. The more far-reaching concept of ‘digital humanism,’ which proposes that human desires and aesthetics should play a leading role in technology design and use, will also require businesses and IT departments to design social- and people-driven solutions.
gartner.com

CHAO MONKEYS; OBSCENE FORTUNE AND RANDOM FAILURE IN SILICON VALLEY BY Antonio García Martínez
Described as “a gripping and insightful account from inside the secretive world of Silicon Valley’s most powerful players”, Martínez pulls no punches in telling the reader how to make a fortune through start-ups and digital marketing. Says publisher Harper: “Liar’s Poker meets The Social Network in an irreverent exposé of life inside the tech bubble, from industry provocateur Antonio García Martínez, a former Twitter advisor, Facebook product manager and startup founder/CEO.”
Harper, €28/$29.99/£12.99

WORLD BANK'S ROSY FORECAST
GDP growth in India will be supported by a rebound in agriculture and stimulus from civil service pay reforms, a recent World Bank report suggested. Driven by India’s expected GDP growth of 7.7 per cent in 2017 and 7.5 per cent in 2016, the World Bank forecast gradual acceleration in South Asia’s economic growth from 7.1 per cent in 2016 to 7.3 per cent in 2017. India’s economic acceleration, says the World Bank, is based on the expectation of strong private investment, a push in infrastructure spending, an improved investment climate, and improved corporate and financial balance sheets.
worldbank.org

ALIBABA: THE HOUSE THAT JACK MA BUILT BY Duncan Clark
Clark, a former Morgan Stanley investment banker and fluent Mandarin speaker, has lived and worked in China for more than 20 years. In his new book he tells Alibaba’s tale in the context of China’s momentous economic and social changes, illuminating an unlikely corporate titan as never before.
Ecco Publishing, €26/$27.99/£18.99

ALL THAT GLISTERS ISN'T ALWAYS GOLD
At the time of writing [May 2016], silver hit an 11-month peak as commodities rallied on firmer oil prices and optimism over the Chinese economy. Writing in the Financial Times, Robin Bhar, an analyst at Société Générale, said: “If you’re still bullish about gold, the argument runs, buy silver instead as it’s cheaper and you may get a bigger bang for your buck as it’s more volatile.” Silver, along with platinum and palladium, have high industrial use and are benefiting from a stabilising Chinese economy.
ft.com

SILVER LINING

ABRACADABRA

INDIA ACCELERATES

DOWN IN THE VALLEY
**RED ALERT**

Cyber security is no longer the exclusive domain of corporate IT shops, says Tom Skypek, co-founder and CEO of GovBizConnect.com, an online network for government contracting professionals. Writing on Bloomberg for Government’s website, he said: “In the past and in some quarters today, cyber security is still viewed as ‘some IT thing’. But the companies that take this view do so at their own peril.” The spectre of data breaches and denial of service attacks, Skypek adds, are risks facing every business using an internet connection. Regardless of industry, cyber security should be a regular C-suite and boardroom agenda item for any firm.

bgov.com

**STRESS**

**CAN’T STAND IT?**

Workers’ high stress levels and lack of physical activity are causing some UK industries to lose almost 27 days of productive time per employee each year, according to research from Britain’s Healthiest Workplace (BHW). The survey of more than 32,538 workers across all UK industries was conducted by VitalityHealth, Mercer, the University of Cambridge and RAND Europe. It discovered a national average of 23.5 days of productive time per employee is lost this way. Healthcare and financial services lost the most days while high tech lost the fewest.

hrmagazine.co.uk

**MONEY**

**CREDIT WHERE IT’S DUE**

In an engaging ted.com talk, TED Fellow and mobile finance entrepreneur, Shivani Siroya, said that while banks use credit scores to determine if you’re trustworthy, there are about 2.5 billion people around the world who don’t have one to begin with — and who can’t get a loan to start a business, buy a home or otherwise improve their lives. Siroya is unlocking untapped purchasing power in the developing world with InVenture, a start-up that uses mobile data to create a financial identity. “With something as simple as a credit score,” says Siroya, “we’re giving people the power to build their own futures.”

ted.com

**SOCIAL MEDIA**

**YOU ARE BEING WATCHED**

President Obama has instructed the government office responsible for performing most federal employee background checks, the Office of Personnel Management (OPM), to prepare a pilot programme that will automatically track the social media posts of people applying for security clearances. Market research is already underway to find companies to conduct automated social media tracking and web ‘crawling’ that will be integrated in the investigative process prior to being hired for federal employees.

usherald.com

**APPS**

The Application Resource Center released its list of the best and worst mobile apps for executives, based on 12 million reviews from iOS and Android users. Here’s their top 10:

1. ColorNote by Social & Mobile
   Notepad app. (Android/iOS)
2. 360 Security by 360 Security
   Phone security app. (Android/iOS)
3. Duolingo Language learning app.
   (Android/iOS)
4. CamScanner by INTSIG
   Document scanning. (Android/iOS)
5. CM Security Anti virus. (Android)
6. Evernote (Android/iOS)
7. Yahoo Weather (Android/iOS)
8. Avast Mobile Security
   (Android/iOS)
9. Mint by Intuit Money management. (Android/iOS)
10. Viber by Viber Media
    Free calls app. (Android/iOS)

arc.applause.com
Deloitte’s latest global CPO survey, conducted in association with Odgers Berndtson, makes for salutary reading. Three hundred and twenty four of the most senior procurement leaders from 33 countries, who have a combined annual turnover of $4.4 trillion, have serious concerns about the state of their domain. Rising risk levels and a skills shortage are their main concern but on the flip side an increase in digital technology spend might suggest that CPOs are looking at innovative solutions to address these global problems.

James Gregson, EMEA head of sourcing and procurement at Deloitte, said: “Digital technology spend is on the rise, with 70 per cent investing in self-service solutions, up by more than a third in a year. Investment in mobile, cloud and social media is also increasing. These statistics suggest a shift to digital, but careful work needs to be done first as 60 per cent of CPOs admit they do not have a clear digital strategy.”

While CPOs work on their digital strategies more fundamental problems need to be addressed. Forty-five per cent of CPOs reported a rise in procurement-related risk such as volatility in emerging markets and geopolitical uncertainty affecting their supply chain. Fifty-five per cent reported an increase in external financial and economic uncertainty. But of all the industries surveyed, consumer business respondents were the most concerned, given procurement’s role in ensuring product availability in locations now affected by uncertainty, instability and security risk.

Coupled with the rising risk factor is a widening skills gap. The new research showed that 62 per cent of CPOs said their team does not have the skills and capabilities to deliver their procurement strategy, while just under half reported that their training budgets are now less than one per cent of total operating budgets, one quarter of what might be considered best practice.

Deloitte’s Gregson added: “On the talent side we are seeing training budgets cut and a push towards outsourcing as a way to plug the skills gap. This trend is most prevalent in the largest organisations [with an annual turnover in excess of $50 billion], where 40 per cent are expected to pursue outsourcing for some element of their function.”

Note: The Deloitte/Odgers Berndtson global CPO survey comprises a benchmark indicator of sentiment in the procurement function and is based on data received between 2011 and 2015. Read the full survey at: deloitte.co.uk/cposurvey2016 or odgersberndtson.com/cpo-survey
Download the Observe app from the App Store or Google Play and read Observe anywhere, any time. Search ‘Odgers Berndtson’

Available for tablet and smart phone
In a major survey SANDRA KESSELL spoke to Odgers Berndtson senior partners in each of the BRICS countries about the state of play – and the talent challenges ahead

The World Bank’s predictions of a ‘perfect storm’ in 2016 as growth slows in the so-called BRICS (Brazil, Russia, India, China and South Africa) economies may be overstating the case, say the business people who deal with each nation’s challenges every day. According to Odgers Berndtson’s senior partners in each of the BRICS countries, business leaders have remained upbeat, if cautious, about the prospects for investors into their respective economies. Those seeking exponential growth won’t find what they’re looking for, but the BRICS nations still operate with a dynamism that developed countries would envy.

BRICS might have been a useful acronym to band up-and-coming economies together, but it’s the differences that can determine where money may be made – or lost. By the World Bank’s own forecasts for the year ahead, China’s growth could slow but India will continue to expand. Recessions in Brazil and Russia will bottom out, while Africa as a whole could pick up to 4.2 per cent growth in 2016.

But can the BRICS economies still fuel global trade and growth? Expectations may have to be lowered, but as the World Bank’s president Dr. Jim Yong Kim has indicated, the benefits from reforms to governance and business conditions in developing countries could help offset the effects of slow growth in larger economies.

Growth forecasting is never an exact science, more a fine art, so should the mood in each BRICS nation be the key to where – and why – to invest? –→
Ademar Couto’s prognosis for Brazil might be contrary to that of the naysayers. At the time of writing Michel Temeris had taken over the interim presidency while the legislature decides whether or not to impeach president Dilma Rousseff. Couto believes the volatile political situation can be viewed positively. “This is good for Brazil. We are doing something that needs to be done and will lead to a new start.”

The will to root out corruption and impose jail terms on the corrupt is setting the tone for the future of the economy – a better future. Yes, commodity prices have slumped and the economy slowed to standstill, but that’s no reason for pessimism, in his view.

“It may not be growing right now, this year, but it will grow in years to come and when things are going badly, that’s when you can buy at the best price and make the best deals,” he says, pointing out that the strong US dollar against the Real offers the perfect opportunity for foreign investors.

Political turmoil
Couto highlights what the government has done well over the last 10 years – literacy and numeracy have been extended to around 95 per cent of the population; construction work, driven by the 2016 Olympics, has improved the infrastructure, mainly around Rio de Janeiro, but the skills learned and the investment made have had a wider effect.

All this political turmoil and economic uncertainty doesn’t alter the fundamental pillars that promise growth to companies prepared to invest in the country’s future.

“We have great universities that are considered among the top in the world and lots of talent, not just that graduating out of college, but because, as companies closed, experienced talent was fired,” says Couto, who is currently based in São Paulo, but who has also worked in North America. Entrepreneurship has run high as a result, but now many of these experienced leaders are ready to assume new positions, he believes.

Couto warns executives new to the country’s ways that they will face challenges unique to Brazil. For example being able to speak Portuguese (or at a pinch, Spanish) is a must.

“I believe that will change, but right now, you need to have some expertise to deal with the ‘machine’ in Brazil,” he explains.
Leslie Maasdorp, Vice-President and Chief Financial Officer, New Development Bank BRICS

The BRICS countries contribute around 23-24 per cent of the entire global economy and with strong and favourable demographics they will continue to drive such growth, says Leslie Maasdorp, Vice-President and Chief Financial Officer of the New Development Bank BRICS (NDB) – formerly the BRICS Development Bank. In the past two decades emerging markets have more than doubled their contribution to the world – from around 21 per cent in 1992-93 to just over 40 per cent today. One of the biggest things exemplifying the faith that this will continue has been the creation of the New Development Bank, the primary focus of which is lending to infrastructure and sustained development projects, backed by the BRICS governments themselves as an alternative to what is seen as the US-dominated World Bank and International Monetary Fund. The NDB has been set up to foster greater financial and development cooperation among the five nations.

At 6.5 per cent, China’s economic growth remains spectacular in global terms, especially taking into consideration the country’s large size, Maasdorp points out. “It is becoming increasingly integrated with the world, so whatever happens in China impacts directly on Europe, the US and large emerging market countries, such as [the others making up] BRICS,” he says.

It’s natural that any slowdown in China’s economy would have a knock-on effect globally, he says. “China is still the fastest-growing economy by a long shot,” he says, and it is projected to become the biggest economy in the world within the next decade or so.

In the past the buoyancy of the BRICS economies depended strongly on sales of commodities, but the steady drop in the price of these, together with currency depreciation and drought – the latter has created inflation in food prices – have added to the range of challenges affecting emerging economies to a greater or lesser degree. Yet for all of these adversities the faith in the ability of BRICS nations to maintain or renew their upward trajectory remains strong, as proven by the formation of the NDB.

The bank has started the process of recruiting up to 100 professionals for its headquarters in Shanghai, one of the fastest-growing cities in the world with a reputation for drawing dynamic and talented executives to the heart of its financial district, Pudong.

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“The bank is on very solid ground... We are looking for executives who understand the long-term opportunity that emerging markets represent,” says Maasdorp. These executives will also need to show adaptability to integrate culturally into their new environment.

Maasdorp is seeking executives who are open to develop new ideas while understanding all these factors. They must focus on clean and sustainable means of economic growth, moving away from the carbon-intensive patterns of past growth, he says.

“As we develop the bank, we want to be at the cutting edge of innovation and adopt new technologies and new innovative ideas that will make us a bank of the 21st century, so innovation is the very important quality that we are also looking for,” he says. –
While the notion of the BRICS and emerging economies appeared a few years ago to describe the stage of newly advanced economic development, today the BRICS countries have more differences than things in common, says Roman Tyshkovskiy, managing partner of Odgers Berndtson, Russia.

"Basically we have different natural resources and different political and social attitudes and approaches," he says. "Each country has chosen its own way of development and today we are at different stages of economic growth: China has already done a lot, India is increasing very fast and Russia still hasn’t fully used its potential. Actually, it means that BRICS countries face the same changes as any other country in the world."

‘Perfect storms’ and ‘new economies’ make no difference when recruiting executives, Tyshkovskiy believes.

A new economic paradigm

“Companies are looking for top managers capable of taking on the challenge at all times,” he says. “In Russia particularly business depends not only on the local market changes or competitors, but also on the external situation in the world. And there is no possible means of influencing that, so companies always need people capable of achieving goals and smart enough to face any economic situation, political or market challenges.

“Here in Russia we do not talk about a ‘perfect storm’, we consider the current situation as a new economic paradigm. And because of this paradigm companies have begun to reduce their budgets; they have to create ways to find new smart solutions to stay on [top of] the market,” warns Tyshkovskiy.

“First of all, companies start moving to payment by performance and that applies to all business areas. New sophisticated programmes for human capital development are being used for staff instead of dismissal. So Russian business society is changing and this is now becoming a trend.” he says.

More and more, companies don’t want to fire people or reduce staff, but prefer to develop them, Tyshkovskiy has found.

“Top executives insist on regular training for middle-management staff so they can assess the rules of the new economy and manage it. And that is what we really are seeing in Russia – while our search business is quite sustainable, our executive development branch is fast-growing,” he says.
India is a bright spot on the BRICS horizon, posting the highest GDP figures within the comparative economies, says Alasdair Spink, managing director of Odgers Berndtson’s India office and head of the industrial practice across its Asia Pacific offices. A drop in oil prices, adoption of mobile technology and a young workforce are all positives.

“Technology in India is used to overcome the issues of poor infrastructure and services. It is even put to use to try and battle corruption by putting government services online,” says Spink. The population has leap-frogged personal computers and laptops in favour of the smart phone, making them among the world’s most connected people. Spink agrees with economists who say India will have the third-largest economy in the world by 2030 but he sounds notes of caution.

“Although it sounds impressive... It still doesn’t mean much if you take purchasing power parity, purchasing per capita. People are still going to be poor, but they’re going to be less poor. With 1.25 billion people India is an enormous market especially when you consider 50 of its cities have a population of over one million and it’s urbanising rapidly... it’s all very interesting,” he says.

Prime Minister Narendra Modi is promoting a business-friendly emerging market open to foreign direct investment and, coupled with India’s demographic advantage over other economies – 50 per cent of the population is under the age of 25 and 12 million young people join the nation’s labour market each year – it is already ahead of countries such as China, says Spink.

An embarrassment of talent riches

One of the biggest advantages of developing a worldwide business in India is that educated Indians travel and are international in their outlook.

“The upper tier of the business community do their graduate degree in India and their Masters or MBA overseas – or vice-versa,” says Spink.

“English is the number one language of business in India... All business meetings are conducted in English. Finding mid-to-senior management talent in India is just not a problem, in fact, to a certain extent there’s an embarrassment of riches,” he says, adding that there’s great opportunity for those countries with an Asia and Pacific (APAC) strategy. Spink is able to reel off a list of past Indian APAC business leaders who have progressed to become global CEOs and predicts their ilk will become the future of world business.

“India has gone through its correction and the next five to 10 years are going to be exciting and dynamic,” he says.
The press consistently discusses the slowdown in China. This is real, but GDP growth is still double that of the best performing western nations. China is predicted to overtake the US as the world’s largest economy 20 years from now, so the long term opportunity for multinational companies (MNCs) is clearly still strong. But some things have changed.

A long overdue crackdown on corruption has resulted in MNCs becoming more cautious to ensure they will not have any compliance issues, argues Mark Braithwaite, Odgers Berndtson’s Managing Director, Asia Pacific. “This is a serious reality for Chinese as well as for foreign companies. It has brought caution and contributed to the slowing growth, but is an essential part of China’s evolution and reform on their trajectory to being the world’s largest economy,” he says. “This change ultimately helps MNCs as it helps level the playing field.”

A big push for ‘returnees’

Every MNC cites talent as their biggest challenge in China. Says Braithwaite: “Over recent years MNCs have had a big push for hiring ‘returnees’ in leadership positions – Chinese executives who have lived and worked overseas, bringing an ability to work seamlessly in a western company, while bridging the gap to the local team.” These people are of limited supply and salary levels have risen to a point that most MNCs are finding it hard to accept, but end up paying anyway.

The second leadership issue MNCs are talking about is that most local Chinese executives have only known the hyper-growth of the last 20 years and are now faced with a tougher market, rising competition and demand for productivity against a backdrop of lower growth. “There is a new set of demands in terms of the skill sets companies need and the experience is often lacking. Suddenly the demands are different and we are going through a period of adaptation,” adds Braithwaite.

Smart, driven young people

Braithwaite sees light at the end of the tunnel on China’s leadership talent problem. “China has a huge supply of smart, driven young people. They are much more international in their outlook and experience than previous generations. I will go out on a limb here and predict that, when the current middle managers in their 20s and 30s have another 10 years’ of experience under their belts, China will be a leadership powerhouse.”

For MNCs, the challenge is to attract and keep these people, because Chinese businesses are now attractive places to work. We will see more and more of them become global companies, with strong, capable, locally grown leadership. In the world of business, China is quickly chasing down the developed world.

Through all of the economic reform and talent constraints that face MNCs in China, many are booming and reporting double digit growth, while others are in the midst of transformation projects as they focus on productivity to address a stalled top line. We live in interesting times.
As a latecomer added to the group, South Africa has an appreciably smaller population than other BRICS nations, says Leon Ayo, Chief Executive Officer at Odgers Berndtson’s South Africa office. A relatively young democracy, Ayo feels that South Africa’s situation is similar to that which Germany experienced during the reunification after the Berlin Wall came down.

“South Africa is up there with Brazil in terms of the Gini co-efficient, a measure of statistical dispersion intended to represent the income distribution of a nation’s residents and the most commonly used measure of inequality. There are a lot of issues on a macro-economic scale that affect South Africa,” he says. He believes that in the past the country relied heavily on its natural resources and commodities for growth. Now that corruption is being publicly addressed by the country’s leadership, economic improvements will follow.

World class institutions
“GDP is currently growing at one per cent, better than many countries in Europe – but we could be at least at three to four per cent given the opportunities that we have as an emerging market surrounded by fast growing economies,” says Ayo.

“South Africa has many world-class institutions which are very well regarded internationally – so there’s a lot of sophisticated infrastructure for us to build upon.”

Beyond tackling corruption, the key to South Africa’s future lies in the world-class education offered at business schools such as the University of Cape Town’s Graduate School of Business, the University of Stellenbosch Business School, the Henley Business School Africa and Pretoria’s Gordon Institute of Business Science. Politically vocal and diverse, the country’s youthful population are also economically active in small, unmonitored businesses as well as on a larger scale.

“The youth at MBA level are as intellectual as any I’ve ever come across,” says Ayo, who has worked throughout Europe and North America. “The racial lines that separated the country 24 years ago are blurring – so you’ve got Indians, white South Africans, Afrikaners, black South Africans all sharing a common view of what the future could look like – a non-racial society.”

Clearing the visa challenge
Legislation to promote that ideal may currently be inelegant, but the potential within South Africa is enormous, Ayo believes. Foreign executives who clear the bureaucratic visa challenges to work within the nation find their preconceptions melting away – as Ayo himself did when he was considering his move to South Africa.

“It exceeds their expectations,” says Ayo. “I saw, within 24 hours of my arrival, a place where I could raise my family with a high quality of life, world-class schools, world-class leisure facilities, and world-class hospitals. I also saw I could grow a business aggressively because this is still a growing market… People come and want to stay.

“This is a country that – if you get it right – has such potential.” says Ayo.
Why small is big

According to author Martin Lindstrom seemingly insignificant, irrelevant observations, once connected, have the potential to identify the vital causation that Big Data has so far lacked...

Some years ago, I noticed something interesting. When I asked innovators, company founders, and entrepreneurs about the breakthrough ideas that led to their killer brands, they didn’t tell me, as I might have expected, that their great ideas had emerged from a well-planned brainstorming session or as the result of years of hard work in the lab. Their breakthrough ideas came from seemingly insignificant behavioural observations they’d made while interacting with friends, family, colleagues, or strangers. These key observations often occurred when least expected, revealing an unmet and previously unrecognised consumer need.

It was a thought-provoking insight. After all, who would have thought that Snapchat, the social media app that allows the user to create photos with an ultra-short lifespan, was invented when the founder’s friend tried desperately to find a message containing a photo of himself smoking pot? Or who would have imagined that a priest dropping a Bible on the ground and spilling all his bookmarks would lead to Post-it Notes?

In our data-obsessed world, we’ve been convinced that billions of data observations drive innovation. If you peel the historic onion, you’ll discover that the key to innovation is often a coincidental observation.

Only a couple of years ago, you wouldn’t be able to attend a conference without hearing ‘Big Data’ mentioned over and over again, nor could you have attended a board meeting at which Big Data didn’t dominate the agenda. Everyone was intrigued by the notion that a black box of data could magically produce deep insight into humans’ deepest needs, thereby revealing billion-dollar innovation opportunities. Like a kid in a candy store, every CEO proclaimed: “I want one of those!”

What’s needed, so to speak, is a counterbalance to Big Data. The missing piece in the puzzle, I’ve discovered, is tiny — and though it may be tiny, the potential impact of ‘Small Data’ is huge. I’m talking about first-hand observations made in consumers’ homes, in restaurants, in night clubs, in sports clubs, when driving or on the phone.

These seemingly insignificant, seemingly irrelevant observations, once connected, have the potential to identify the vital causation that Big Data has, so far, lacked.

You could say where Big Data is all about seeking a correlation, Small Data is all about seeking the causation. Small Data is the key to turning Big Data into the success story everyone has been wanting. I tend to say that true creativity happens when one combines two ordinary things in a new way. In many ways, this is the essence of both Small Data and Big Data. There’s probably nothing as powerful as combining creativity with structured thinking. The most exciting thing is that we’ve just begun this amazing journey.

Next time you hear the term ‘Big Data’, think ‘Small Data’, too.

Martin Lindstrom is the author of Small Data: The Tiny Clues That Uncover Huge Trends, published by John Murray Learning. Lindstrom works with brands such as Red Bull, PepsiCo and BuzzFeed. Time ranked him as one of the ‘100 Most Influential People in the World’.

Martin Lindstrom

Small Data: The Tiny Clues That Uncover Huge Trends

Published by John Murray Learning

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You may also be interested in our 8th annual Private Equity in Africa Summit on Wednesday 26th October 2016. Discounted rates are available for those wishing to attend both events.
The rise of the independent consultant is disrupting the traditional consulting model - and with good reason, as Observe discovered
The world of professional services and in particular management consulting has long been known for hiring top graduates by offering lucrative career paths. Yet, the path to high earnings comes at a price. All too often the sacrifice is a social one and the abandonment of any semblance of work-life balance. However, increasingly, high achieving consultants are eschewing the corporate world to design their own career paths by becoming an independent consultant.

Barry Trout, a former Boston Consulting and Oliver Wyman Consultant, is a good example of this sea change. He says: “As an independent consultant, you often get the chance to operate at a more senior level... I don’t think many paths would have given me the experience that I’ve already had in my career.” While senior engagement is one driver for Trout, he also highlights professional development, financial reward and lifestyle as three other key factors. “As an independent consultant, the constant arrival of fresh challenges helps to keep my skills and experience relevant. At the heart of it all, I’m an entrepreneur. When I’m off placements, I dedicate my time to a business I founded and I can also carry out my Non-executive Director commitments.”

Tracey Barr, who worked at L.E.K and Arthur Anderson, has similar sentiments. “After 20 years of working in consultancy and general management roles, many spent at a senior level with a focus on healthcare, I chose to become an independent consultant. I was attracted by the freedom, flexibility and choices that independent consultancy gives me in relation to the types of projects I work on, the clients I work with, how much I work and where I work. I’ve now been working as an independent for more than 10 years and those are still the things I personally feel differentiate it from working in a traditional firm.”

So lifestyle flexibility, professional variety and development as well as financial remuneration can all be increased by working independently. Adds Trout: “The independent consultancy lifestyle essentially gives me the best of both worlds and...”
means I am not just tied to one business.”

In the beginning
The global consulting industry can trace its roots back to the post-depression market of 1930s America following regulatory change within financial services, particularly Glass–Steagall. The UK consulting market grew quickly with the arrival of US firms in the 1950s and the development of technology and management skills; today it is worth around £9 billion and employs more than 80,000 consultants.

Consulting firms such as McKinsey, Bain, The Boston Consulting Group, Deloitte and PwC rank amongst the most prestigious business brands with intense competition for places from the brightest graduates around the world. Their training schemes and pay incentives are as famous as the gruelling travel schedules. Their collective reported financial results for consulting firms continue to outperform wider markets achieving growth of seven, eight and 8.4 per cent in 2012, ’13 and ’14, respectively, in the UK alone. Consulting has remained immune from change for so long as so often the process involves sending extremely intelligent outsiders in to a company to advise and add insight that the company itself lacks - making a full judgement on value versus cost difficult.

However, even with brand strength, financial performance and an oversupply of aspirational graduates, significant disruptions are affecting this most opaque of professional services. At the heart of this change lies a fundamental shift in how consultants themselves want to work and, of equal and complementary importance, a change in how clients want to purchase their expertise.

Disruption hits consulting
Just as the legal industry was first disrupted by the advent of the in-house General Counsel and the publishing industry was changed forever with technology and the internet, so the consulting world is being irreversibly shaken up. While this change is less high profile than the effects of ‘disruptors’ in other industries (Uber and AirBnB to give two oft-cited examples), Clay Christensen, of Harvard Business School and formerly BCG believes that “the full effects of disruption have yet to hit consulting, but it’s just a matter of time”. Various pressures are accelerating this change, not least a more cost conscious procurement of services by companies around the world. In addition to this the democratisation of data access and a desire from clients to engage predominantly with senior members of the firm rather than bright graduates learning on the job and fulfilling utilisation quotas (percentage of time they are ‘on project’) are all highlighting the benefits of independent consultants.

What makes this particular change different is that new competition is coming from the experts hired and trained by the traditional firms themselves. This makes it hard to sell against without devaluing their own quality.

Gaining traction
The United States is home to 53 million people who classify themselves as ‘independent’ or ‘freelance’. Multiple industries around the world have embraced the independent dynamic. Lawyers in New York or Singapore who do not wish to work full time for a firm find work through Axiom. Silicon Valley’s brightest software developers no longer automatically beat a path to Google or Facebook but turn to 10X for their next project. This trend, driven by a lifestyle desire across various sectors and geographies, has found success with purchasers of these services and has started to gain significant traction in the UK and Europe, too.

The practice of management and strategy consultants ‘going independent’ started around 15...
THE CONSULTANCY WORLD IS BEING IRREVERSIBLY SHAKEN UP
INDEPENDENT CONSULTING IS DRIVEN BY STRONG SOCIAL FORCES
years ago but has leapt forward in the last five years. The UK’s Daily Telegraph newspaper recently identified Odgers Interim Consulting as a new player in what it terms the ‘gig economy’ joining established firms in the provision of consulting services by matching freelance experts with jobs. Many also see the benefit of selecting companies or functional areas to work in which help them develop a portfolio of work. There are others who do this to fund a personal project or start-up that they would not have the time to complete while also wrestling with a corporate career. Finally, earnings are often two or three times that which would be available if working for a firm. An increase in work and life balance, more holidays, greater choice of the work one takes on plus a larger pay cheque. What’s not to like? Clients in turn see the huge benefit through experience, flexibility and value. They are no longer serviced by a firm’s ‘pyramid’ with armies of young associates, but by senior experienced experts who have the track record to deliver. They can choose who they engage with to critically assess or sensitively transform their organisations and ensure a cultural fit to increase effectiveness. Finally it is much easier to discern value when the levels of experience and cultural engagement are higher, and the cost is lower. It’s not just the consultants who feel the immense benefit.

Asia next?
While independent consulting is a growing practice in the US, the UK and much of Europe it is yet to find popularity in Asia. This, however, is only a matter of time given the value placed on consulting, the growing presence of the traditional firms in the region and increasing cost control and procurement practices across emerging markets. The US consulting market was worth $50 billion in 2015 with 10 per cent growth forecast for 2016. Compare this to a market of $3.2 billion in China with eight per cent growth expected in 2016. The scope for growth is clearly significant.

So where does this leave the traditional firms? Chris Preston of Odgers Interim Consulting says: “Independent Consulting is driven by strong social forces that fundamentally change the way people want to engage with their employers and earn a living. Rather than fight against it consulting firms need to adapt and realise that significant proportions of their workforce will be flexible or part time in the near future.” There appears to be little slowing in companies purchasing consulting expertise and knowledge but the people who are providing these services will be balancing their lives very differently from previous generations.

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<td>1. Are more experienced and senior than equivalent resource from traditional firms</td>
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<td>2. Invariably have direct experience of working in relevant industry roles</td>
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<td>3. Are a more flexible resource and can be used as a ‘plug and play’ solution rather than the full suite offered by traditional firms</td>
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<td>4. Are often more pragmatic and objective in their work and don’t have to balance loyalties to their corporate employees</td>
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<td>5. Are more personal in their approach and often ‘go the extra mile’ as their reputation depends on successful outcomes</td>
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<th>FIVE KEY REASONS WHY CONSULTANTS ‘GO INDEPENDENT’:</th>
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<td>1. Lifestyle and work/life balance</td>
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<td>3. Allows them more time to dedicate to a passion project or start-up</td>
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<td>4. Enables them to build a portfolio of different projects</td>
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<td>5. Exposure to different industries</td>
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To find out more about independent consulting, go to: odgersinterim.com/clients/why-use-an-independent-consultant
Shinzo Abe’s grand plan for increasing the proportion of women in senior roles in Japan looks decidedly lacklustre, as DI RIX discovered.

Japanese Prime Minister Shinzo Abe’s ambition to create a Japanese “society in which women shine” is tarnished.

Far from kickstarting a desperately needed economic revival as hoped, ‘Womenomics’ - which forms a major part of the Government’s third arrow structural reforms – has been decidedly lacklustre.

Accusations of tokenism have been given to legislation – passed last August – that companies and public bodies with more than 300 employees must set numerical goals for the employment and promotion of women.

Without quotas or penalties for non-compliance, most say the law is all but meaningless.

By the time Tokyo hosts the 2020 Olympic Games, Prime Minister Abe’s 2013 target of having women in 30 per cent of senior roles has already been revised to 15 per cent. The figure is currently 3.1 per cent.

And his own administration – with only 3.5 per cent of female-filled senior jobs – is a poor role model.

Compare that with, say, the 35.5 per cent of women in top jobs in Norway and the world’s third largest economy looks out of kilter.

The OECD predicts Japan’s GDP growth will be just 0.8 per cent this year. Yet 17 years ago, Kathy Matsui, Vice Chair of Goldman Sachs Japan - who coined the phrase ‘Womenomics’ - argued that figure could be boosted by up to 13 per cent simply by employing more women.

So what is hindering progress?

“Labour productivity here hasn’t grown for 20 years and is still at 60 per cent the level of that in the US,” says Professor Nicholas Benes of Tokyo-based Board Director Training Institute.

“There are lots of smart women who are not being allocated to their best use economically.”
He believes Japan’s problems stem from a lack of corporate governance, its rigid labour laws and the lack of mobility they allow.

“Slowly companies are setting targets for women in senior roles. But unless the Labour Contracts Law changes and the regular employee system is abolished, then 60 per cent plus of Abe’s Womenomics targets are a pipe dream.

“For a competent woman it is now rather easy to get board positions. But one seemingly token woman on each board will not change the fact that there are so, so few senior female managers in the executive echelons below that… down to age 35 or less.”

Dr Emiko Magoshi of TSE-listed Hitachi Transport System is that token woman and says: “The female managerial ratio here is about two per cent. There are very few women senior managers, no female executive officer and I am the first and only female board director.

“It is simply not normal to continue to underutilise women’s talent.”

Magoshi believes law changes are required to enforce short and flexible working hours, but that there is also a psychological barrier for women to overcome. “Women should muster up the courage to take a leadership role, grab it and then think about how to do it,” she says.

Professor Benes blames many of Japan’s employment woes on the ‘job for life’ regular employee contracts that most workers enjoy and many in Japan consider their heritage.

“When Japan’s problems started 20 years ago, rather than cut these jobs, firms began hiring non-regular workers on ‘contracts of indeterminate duration’.

“It is simply not normal to continue to underutilise women’s talent”

“Nearly 40 per cent of workers, mainly women, are now on these poorly paid contracts and in 95 per cent of cases, women who take maternity leave can only return to work on them, and so are rehired with a lower status. They suddenly become dispensable, are paid less for doing the same job and can be fired at will. The firm doesn’t invest in you, support or promote you,” he adds.

Sachiko Ichikawa, the only female board member at TSE-listed Anritsu (a Japanese company specialising in the test and measurement equipment market), concedes that while “the law can motivate companies to promote women, practical support for it is essential. Home working, flexible working hours and childcare leave, would allow female workers to balance home and office life.

“But companies seem to struggle to know how to implement this and often women return to work after childbirth hugely dissatisfied with the jobs they are assigned.”

Another of Abe’s targets is to boost the percentage of women returning to work after their first child to 55 per cent by 2020 (38 per cent in 2010) and to 73 per cent in general (68 per cent in 2012).

But figures from Catalyst Japan, a not-for-profit promoting diversity in business, bear out Ichikawa’s fears that they are too ambitious.

Catalyst Vice President Tsukiko Tsukahara says: “A 2011 survey found that 63 per cent of Japanese women left work not to care for children but because...”

Prime Minister Shinzo Abe (bottom left), and female Cabinet members including Minister of the Environment Tamayo Marukawa (middle row, left), and Internal Affairs Minister Sanae Takaichi

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they were dissatisfied with their jobs and nearly half left because they felt stalled in their careers."

Some point the finger at the massive gender pay gap in Japan where a woman, according to the OECD, earns 73 per cent of a man’s salary. The OECD average is 84 per cent.

Japan’s problems are many and varied and with the population plummeting, the birth rate stalling and the number of over 65s soaring, time is of the essence.

As well as labour mobility issues there is a lack of childcare facilities. As of April 2015, there were 23,167 children on day care waiting lists, which the Prime Minister hopes to eliminate by next year.

His other aim includes boosting the percentage of fathers taking paternity leave (2.6 per cent in 2011) to 13 per cent by 2020. But in Japan’s patriarchal society, which encourages long rigid working hours and a culture of socialising with the boss after work, male role models for this are hard to find.

Tomoko Fukuyama, Chief Director of global snack food maker Calbee’s Middle Japan Business considers herself lucky. Much has changed at the firm since forward-thinking Akira Matsumoto took over as CEO in 2009.

“Mr Matsumoto said the company was 100 years behind the global standard and so he set about promoting the importance of diversity and the role of women,” she says. Until recently he encouraged her to go home at 4pm to be with her two daughters.

The firm offers childcare facilities at its factory, flexible working for men and women and home working twice a week, and now has 63 senior women and five female executives.

“Some men may not be happy, but through diversity meetings, workshops and mentoring schemes, we try and explain why it is important for the growth of the company. “Mr Matsumoto says that diversity is necessary for profit growth, that women are as talented as men, so why promote only one sex?”

Professor Benes proposes the Government introduces a labour contract promising severance pay commensurate with number of years’ service.

“If women had that sort of contract there would be a much larger chance they would stay, and if they performed, the company would be incentivised to invest in their skills. Until this happens there will not be women in senior or middle management positions. And if the Government wants women to both have children and work it will have to change the law.”

Perhaps the time has come for a ‘comply or else’ code to create the sense of urgency needed to accelerate change.

With the Tokyo Games not far away the opportunity is there for Mr. Abe to grasp.
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Is your executive leadership team ready to rise to the challenges of doing business in a re-emerging Iran?

ADAM FAIRBROTHER reports

Global business leaders and economic commentators are actively considering the opportunities and risks associated with reigniting business ties with Iran. Some regard Iran’s emergence from crippling economic sanctions as a timely ‘business bonanza’ not to be ignored – others see it as dangerous hype, full of complex issues.

Iran has continued to emerge as a country with a promising medium-term economic outlook. It has the second largest economy in the Middle East and North Africa (MENA) region, behind Saudi Arabia, with an estimated nominal GDP of $397 billion in 2015, and a single-digit rate of inflation. Iran also has the second largest population in the region, behind Egypt, with just fewer than 80 million people. Iran recognises that Foreign Direct Investment (FDI) is needed across all sectors to help position the country as a low-cost, quality and technology focused manufacturing hub for MENA, thus reducing the over-reliance on state-owned-enterprises.
Since Implementation Day – the moment when the economic benefits of the nuclear agreement with the West took effect – we have interviewed a range of industry leaders with strong current links with Iran, to gain insight into the potential human capital-related ‘snakes and ladders’ when shaping up a leadership team for market entry and growth in Iran.

Hamid Mojtahedi is Head of the ‘Iran Group’ and Senior Lawyer for Al Tamimi & Company, which has been providing legal services to clients in the Middle East for more than 25 years. He says: “The Iranian population is highly-educated (60 per cent are aged 40 or below) with a specific emphasis placed on science, maths and engineering. But unemployment remains high, rising further in the last two years. Today unemployment stands at around 12 per cent, with around twice as many women unemployed compared to their male counterparts.”

He also draws attention to the ‘brain drain’ of more than 150,000 highly-educated Iranians who moved overseas every year in the 1990s. Today more than 500,000 Iranians are studying abroad. Hamid adds: “The years of draconian sanctions and absence of FDI have led to a real lack of international business practices and behaviours amongst large swathes of the working population. This in turn has led to a certain commercial complacency and potential stubbornness to accommodate change once FDI increases.”

Mojtahedi issues a stark warning against an over-reliance on hiring returning talent from Iran’s diaspora. “One must not presume that Iran’s returning talent will be able to assimilate and re-adjust quickly, despite speaking Farsi. Of course, such returnees will be welcomed back by Iran’s endemic population, but they will be viewed with suspicion by some in a country where trust, network and ‘face-time’ are often decisive factors in successful business.”

Another commentator, currently acting as a Senior Commercial Adviser on behalf of a foreign government with interests in Iran, highlighted the country’s likely emergence as a low-cost manufacturing hub for MENA. “Iran is rich in raw materials, people and energy. There is a mature but technologically underdeveloped local manufacturing base that forms a solid foundation for growth. Yet despite favourable unionisation conditions and relaxed requirements towards joint ownership and partnerships, today Iran ranks 118 out of 190 in the World Bank Group’s ‘Ease of Doing Business’ rankings. The lifting of sanctions, recent elections and political changes will indeed encourage a more liberal approach to economic reform and business regulations. “Human resource considerations are pivotal to success in Iran. It may well be difficult to find the ideal managers to champion these new ventures or to form these partnerships. English is not
Organisations will have to source Iranian managers living abroad...

widely spoken in Iranian executive leadership teams, and relying on an interpreter is fraught with problems. There is no clear, mature and sustainable talent pool for C and C-1 level executives in Iran. Organisations will also have to source Iranian managers currently living abroad but willing to return.”

Our third commentator, a board member for a leading MNC with operations in Iran, declares: “At face value, Iran has a rich talent pool. There is a huge, well-educated and accessible younger working population who are eager to learn. However, the absence of any significant level of FDI in recent years has left the bulk of organisations ignorant of what best practice across all business functions looks like. The challenge facing employers and their staff alike in achieving a transformation of work practices and culture is huge.”

It is, then, vital to ensure deep due diligence across all external factors/stakeholders relating to business planning for Iran. Seek professional advice to help you know your customer, potential partner, key vendors and other influential external stakeholders. The newly-appointed leaders of Iran’s emerging commercial entities will need to immediately exude a tangible sense of credibility, gravitas and a cultural affinity to both external and internal stakeholders. Such leaders will need experience of driving success in emerging markets, managing business process optimisation and transformation in a multi-cultural, challenging environment, whilst ensuring absolute integrity at every level of the business. Whether such candidates are identified internally for secondment to Iran, externally from Iran’s existing internal talent pool, or from within the more than five million members of the Iranian diaspora, the need for sound human capital due diligence is essential.

Adam Fairbrother is a Partner for Odgers Berndtson MENA, based in the Dubai office.

This is an extract from a much more detailed examination of the situation in Iran. Read the full report at: odgersberndtson.com/talent-in-iran
CHEF SERVICE INCLUSIVE FOR THE ULTIMATE LUXURY EXPERIENCE

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The global energy industry is in a period of significant transformation, creating a complex environment for leaders, says MATT HIGH.
Profound changes are occurring in the energy industry. The market – oil and gas, power, renewables, rapidly growing and highly innovative cleantech businesses – is in the midst of a significant transformation that is creating both challenges and opportunities.

This is far more than the latest downturn in an often cyclical market; it is far-reaching and long-term change that is altering the industry as we know it – and it’s impacting the boardroom in a big way.

In the short- to medium-term, challenges such as fluctuating oil prices and capital market demands, industry consolidation, services diversification, new climate change agreements, a growing global environmental conscience, activist shareholders, and the pressures of keeping pace with rapidly developing technologies have created a complex and challenging business environment.

Strong and decisive leadership is more important than ever before. The new energy industry requires an entirely different kind of C-suite leader with a bias towards innovation, the resolve to steer a company...
through any downturn, and the ability to build a lean, efficient and streamlined organisation that can take full advantage of future opportunities.

Accordingly, across the industry executive boards are questioning whether they have the right leaders in place to tackle these monumental challenges and, where possible, grasp the opportunities that exist.

And the answer isn’t always yes. Indeed, the oil and gas industry – perhaps worst hit by recent developments – has seen CEO turnover increase significantly. In 2013, the median tenure for oil and gas CEOs was revealed as four and a half years, and only a small percentage of companies were led by CEOs who had served longer than 15 years.

“The transition from phase to phase in cycles of business often requires a change in leadership,” says Jim Thompson, energy-focused Partner at Odgers Berndtson’s Houston office. “Many energy companies are downsizing, consolidating and restructuring to survive the changing market, and to position themselves for the upturn when it occurs.

“A certain kind of leader is required to do that, and more often than not it may not be the same leader that steered the business through a successful period of growth.”

Who is the ‘right leader’?

To a large extent the question of the right leader is impossible to answer. The impact of the changing market is being felt differently across the energy spectrum. The requirements for an oil and gas leader – an industry that is firmly focused on managing the downturn – are very different to those of a small, innovative and rapidly growing cleantech business.

“One thing that is absolutely certain in the energy industry is that there will never be one leader that fits all,” says Thompson. “Every single sector, geographical area and company has different requirements and priorities depending upon what phase of business they are in.”

Challenges and opportunities

The oil and gas industry has until very recently been in the throes of a
downturn. Projects have been impacted and delayed as companies worldwide have cut budgets and workforce – a study by Swift Worldwide Resources estimates that 233,000 jobs were lost last year – and downsized operations in the quest for short- to medium-term consolidation.

Restructuring has been the key word in oil and gas boardrooms, as companies identify and implement the necessary changes to survive. For leaders, a down-cycle is the toughest, most demanding and unpleasant cycle to manage as the execution of certain key capabilities becomes more critical and mistakes come with a higher price.

“Managing a business in this kind of environment requires a certain type of leader,” says Greg Pocherewny, Partner at Odgers Berndtson’s Calgary office. “It’s not just a matter of cost-cutting, it requires smart and innovative thinking, new technologies and a leader that can keep their team engaged through the low cycle. It’s also very hard to keep talent focused and enthused, so a leader who can create a vision of the future that keeps their best people engaged for the long-term is essential.”

It is essential for the modern oil and gas leader to embrace innovation and understand the value of technology – investment in digital technology such as cyber security and improved data analysis technology has become essential to manage project risk and streamline operations.

“The best technical minds and the most innovative thinkers don’t always make great leaders,” says Pocherewny. “That’s why it’s so important to find leaders that have the courage and vision to bring innovation through to application – and the persistence to see it through.”

The key challenge for oil and gas companies is to attract and retain such talent in an environment where other sectors such as renewables and cleantech provide a rich breeding ground for innovation and high growth.

Spurred by an ever-growing→
awareness of the environment, an increasing dedication to achieve climate change goals by governments worldwide and a simple desire for alternate energy sources, these sectors are growing rapidly.

“Future leaders are interested in career opportunities that feature high growth and a focus on innovation,” says Randy McEwan, CEO of Ballard Energy, an emerging cleantech business that manufactures innovative fuel cells.

“What truly differentiates cleantech is the opportunity to shape the future – in a way that drives efficiency improvements, reduces greenhouse gases, cleans water, improves air quality or lowers carbon intensity. It’s the opportunity to be passionate about your career, your company and your industry because you are working to give your children a better world, a world that is sustainable. It’s the powerful trio of growth, innovation and purpose that makes this sector more appealing to leaders of the future.”

However, while appealing, these businesses present their own unique challenges for leaders – including managing the growth curve from start-up to larger organisation, being at the forefront of technological innovation and creating the correct long-term sustainable decisions for the business.

Gerry Lalonde, global chief executive of emerging wind turbine business, Orenda Energy Solutions, says: “A major challenge for executives in the renewables business is that the model depends heavily upon government subsidies in the form of either Feed-in-Tariff programmes or tax/grant incentives. It means that even the best laid plans can be upended by a change in government policy.”

According to Lalonde, the right leader for a renewables business can “find that perfect balance between a disciplined approach to doing business and an ability to change the strategy/tactics at a moment’s notice.

“It means building a company that has a solid infrastructure and technology, but which can quickly be adapted to changing market conditions.”
conditions. It’s also important to create a culture that allows for quick reaction and where change is accepted by employees as a fact of life.”

For Pocherewny, the key difference between oil and gas leaders and those at renewables or cleantech companies is “where their respective passions lie, especially in areas such as innovation and tech – they have an optimism that is contagious.”

“Renewables and cleantech requires very good leaders,” Thompson agrees. “These are not legacy leaders or people that have been around before, instead they are new leaders who are flexible and creative enough to deal with fast moving, rapidly developing businesses.”

The search for resources
Where these leaders come from will be the chief concern for companies industry-wide in the coming years. While, to a large extent, the much-publicised skills shortage that exists in the industry, is confined to areas such as skilled engineering, there is a noticeable lack of leaders rising.

“The next generation of leaders being developed is low in number, particularly in the oil and gas industry where many are approaching retirement,” Thompson confirms. “The long-term challenge for that sector will be how to be an attractive and viable option when renewables or cleantech may be more appealing and are attracting young, talented engineers and leaders. The industry is not doing enough in my opinion, and the shortage will become even more acute in the next five years.”

Succession planning, then, is key. The challenge for potential leaders, however, will be how to integrate into a business that is cyclical and can change at any moment. In the ongoing quest for natural resources, the search and refining of human resources is of paramount concern.

FROM THE INDUSTRY: CLEANTECH LEADERS
by Randy McEwan, CEO Ballard Energy.

There are three requirements that are important. The first is level shifting – that is, the ability to rapidly transition from macro and strategic to micro and tactical. Most cleantech companies are relatively small or early stage. This means that leaders need to be thought leaders and strategists, while also caring about important details on customers, products, operations, and execution.

The second is the ability to operate in uncertainty, ambiguity and change. Market conditions are highly dynamic. You will never have perfect information and analysis. So, you need to be comfortable making decisions on incomplete and imperfect information and you need to have risk tolerance. The 80-20 rule applies every day.

Thirdly, you need to be global in your thinking. Frequently the customer requirements and economic value proposition vary in different geographic markets. Your business will likely have opportunities and risks in international markets, including customers, competitors, suppliers, government and industry. It’s important to know what’s going on in key geographic markets – lack of visibility will be at your peril.

Be sure to make the right long-term decisions for the business. You need to have the conviction in your business plan to avoid unwise compromises to satisfy short-term imperatives or pressures.
Consortium projects behind schedule and local business people and residents up in arms – these are just two of the headlines that follow preparations for big sporting events around the globe. Brazil, however, has outdone past Olympic host nations by compounding the devastating effects of the Zika virus with an economic downturn and political turmoil. Yet for all that, Rio 2016 CEO Sidney Levy has remained upbeat about the lasting effects the Olympic Games will have on the country. Levy’s job requires optimism, but his views reflect those of Brazil’s business leaders, according to Ademar Couto, a partner and director at Odgers Berndtson’s São Paulo office, who has had his ear to the ground.

“Everyone is very enthusiastic about the Olympics,” says Couto. “We believe in the legacy of the Olympics. Yes, there’s political discord right now, but we also really believe that the Olympics will leave people with a great image of the country.” Brazilian businesses stand to gain from R$3 billion (cUS$850 million) in projects.
million) of additional spending on goods and services with R$300 million (cUS$85 million) of that trickling down into the economy to benefit smaller companies and enterprises, according to International Olympic Committee (IOC) predictions. Following on from that, there are hopes that Rio de Janeiro itself will gain from a renewed focus and drive.

Economics journalist Binyamin Appelbaum considers cash and services contributed to a host nation by the IOC may never make up for the disruption and additional cost associated with the Games. Writing for the New York Times magazine, Appelbaum states that if a nation committed to renewing and upgrading a city’s infrastructure and transportation without the prospect of a Games to drive projects through, it would generate a feel-good factor just as great – possibly greater – than the Olympic effect. The reverse of the intended effect can also be true, he points out. During the London 2012 Games museum enthusiasts and theatre lovers were put off going to the city and there was an overall five per cent drop in London’s visitors in 2012 compared to the year before.

“We have built a lot of stadiums and infrastructure for the Olympics – some of which are going to be reusable, but some of which are going to be a waste of money,” Couto admits. “We might have to lose some of the gymnasiums in the future, because they are not in the ideal place and are too far away from everything.”

Committees considering bidding for a Games would be wise to review a recent University of Oxford study which revealed that every Games from 1968 onwards has exceeded its budget. Images of decaying swimming pools, abandoned running tracks and venues built for Athens 2004 and Beijing 2008 abound. Even the London Olympic stadium became the subject of bitter post-2012 arguments (still rumbling on in 2016) including whether the state-of-the-art athletics track should be sacrificed to create a better atmosphere for fans as it was being turned into the home ground for a football club. Rival bids for the venue closed when West Ham United FC stepped up with a deal and a plan to cover the track with retractable seating during football matches so the stadium could still be
used for other international athletics meets.

Back in Rio, it seems most likely that city centre businesses will gain most directly from the 2016 Games investment in transport. Travel times (notoriously long in Rio) will be cut, even though not all the new transport infrastructure projects were completed following efforts to trim overblown costs. Some of the other extras – such as the floating stand to hold 4000 spectators at the rowing site on the lagoon – were also dropped. Despite projects being pulled, construction companies and those associated with construction, such as Caterpillar and John Deere, and architectural firms, for example, have benefited from a share in the Olympic spend.

“We have had a very good year for this sector of the economy – even here in São Paulo,” says Couto, echoing the US Government’s view.

The Games’ organisers have signed more than 700 contracts with over 1200 suppliers as part of the preparations and sectors likely to see knock-on benefits include hospitality, advertising and leisure.

Rio’s hotels have seen major investment to meet Olympic and football world cup visitors’ demands and its organising association is confident that occupation levels will remain high even after the Olympics move on, thanks to the city’s continued global profile.

According to Douglas Viegas, director of the Brazilian Hotel Industry Association in Rio de Janeiro, the city sees close to 100 per cent occupation during international events such as the carnival.

The US Government predicts more private finance initiatives in Brazil in the future and less state financing in such infrastructure as airports which are being moved into the private sector. So Brazil, despite the widespread concerns, still looks good for business.

“Banks, financial institutions and other companies are starting to reopen branches that they had closed in Rio five or six years ago,” says Couto. “They are returning to the city and I believe that is just one of the upsides of the Olympics.”
The power of personality

What makes an effective C-suite leader? Odgers Berndtson worked with Hogan Assessments to find out

For many, managerial and promotion decisions remain based on an antiquated system of hiring individuals who most resemble us and who network best. However, when your company’s success (or failure) is on the line, modernising selection and promotion processes can lead to positive, long-term outcomes for all businesses.

Hogan Assessments articulates quantifiable personality characteristics that lead to successful C-suite performers. By using these statistics as a guide, it is possible to harness the power of personality for your employee selection.

According to Hogan “personality predicts workplace performance”. While, for many, harnessing the power of personality for employee selection is a new approach, it is essential for correct succession planning.

Look deeper into your employees’ personalities and you may well find your next CEO is right under your nose.

Odgers Berndtson works in partnership with Hogan worldwide to assess leaders and their teams. You can learn about the science behind predicting leadership behaviours at: hoganassessments.com
Is a Doctor of Business Administration - or DBA - really worth the effort?

DOUG MORRISON sought some answers

Alexina Portal, a Paris-based, organisational change consultant, was “already at a senior level in business and looking for a new intellectual challenge that would go beyond my practical knowledge” when she decided to study for a Doctorate of Business Administration (DBA) at Grenoble Ecole de Management.

For Portal, the DBA was “a personal gift, a once-in-a-lifetime chance, an experience and a solution for my career”. By the time she graduated in 2012, after five years of intensive study, the DBA had “changed my vision and approach to deliver concrete results” to her clients.

She adds: “When we perform a DBA, we are not learning theories, we are learning methodological tools necessary to generate knowledge, and if we have to analyse each single hypothesis behind our research topic, we have to prove results, and be ready for opening even more questions.”

Portal is one of a growing number of senior business executives who have turned to the DBA as a means of taking their careers to the next level. Grenoble Ecole de Management alone has over 200 DBA graduates around the world and, says Mark Smith, Director of the Doctoral School and Professor, continues to recruit strongly each year. “These individuals are seeking something more,” says Smith,
The DBA should not be seen as the natural extension of the MBA

MBA, if only because its rigorous research focus would only appeal to – and be relevant for – a relatively small number of MBA graduates.

“The DBA aims to bring high level research to bear on solving unique and complex management problems. It is therefore about developing innovators and change agents for a wide variety of organisations,” says Stoddard. “The DBA should enhance a career but is not designed to be a career booster in the same way as the MBA.”

It could be argued that you get an MBA to earn more and a DBA to learn more although AMBA's website refers to the “continued confusion in the market regarding the definition and value of this [DBA] degree”.

Claire Collins, Director of the DBA Programme at Henley Business School in the UK, admits the DBA is “sometimes still a well-kept secret”. But she adds: “People understand a PhD, and a DBA is →
just the same, save for two points; it is part-time and it makes a dual contribution, that is to theory and to practice. The DBA is a doctoral qualification with all of the rigour and relevance that that requires.”

At Henley, at least, the secret is out, with “many more applications” than places for the DBA course, which like Grenoble’s is accredited by AMBA. Henley currently has some 140 research associates, from more than 30 countries, each dedicating about 15 hours a week to their studies and each paying £50,000-£60,000 over five to six years. The age range is 35-55 and they have an average of 17 years’ experience. As Collins says, their motivation is somewhat different from that of an MBA.

“The advantages of the DBA are that it develops deep, specialist knowledge in a defined area through research,” she says. “The holder of a DBA becomes a real expert in this area and since contribution to practice is a criterion for success, this knowledge will have an impact on business, organisations and society.

“We have a number of research associates who are working on issues that will fundamentally change the way that their industry works, or are working on policy issues which may change an issue at national or international level,” Collins continues. “So, there is a real benefit to career and employment aspirations, but also the potential to have impact far beyond that.”

In Portal’s case, her research was as specialised as it gets, with a thesis entitled: Specificity and Efficiency of Strategies Developed to Share Emotions When Writing An Email for Business Purposes. “I was interested in management research but it took me time to feel comfortable with my research topic,” she says. “As we are living for all our life with our topic, and we can have a hard time for the five years when we are performing the study, we definitely have to be passionate about our research area. I was looking for a concrete business question, and it definitely changed the way I’m acting in my day-to-day business life.”

As Smith suggests, DBA holders have a legitimacy in both academic and business worlds – “a rare breed”. He adds; “To complete a doctorate in any discipline is an immense personal challenge and will change your life, open up new opportunities and open your eyes to what we know and, importantly, what we don’t know and what is left to find out.”

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RISE OF THE ‘C’

mbassador of Buzz... Chief Amazement Officer... Crayon Evangelist... Master of Disaster – just a few of the unusual job-titles that have sprung up in the past couple of years.

Today receptionists revel in the grandiose title of ‘Director of First Impressions’. Title-fluffing fools no-one, except perhaps the title holder; after all, the late boss of North Korea, Kim Jong-il, had 1,200 official titles including ‘Greatest Man Who Ever Lived’. Even after he died in 2011 he gained another – ‘Eternal General Secretary of the Workers’ Party of Korea’. One title he didn’t have was ‘Chief Narcissist’.

Politicians are not terribly well known for their shrinking egos; but what explains the steady spread – the widening stain, perhaps – of inflated job titles in the corporate world? And it is a spread – you’re no-one today in the corporate world if your job title doesn’t include the words ‘chief’ and ‘officer’: Chief Happiness Officer, Chief Privacy Officer, Chief People Officer, Chief Digital Officer, Chief Knowledge Officer, Chief Customer Officer, Chief Innovation Officer, Chief...
In a world of inflating job titles, does having a ‘C’ title really provide the keys to the C-suite? Gary Mead investigates.

Observance Officer... All these titles really do exist.

Kodak and Dell a few years ago appointed Chief Listeners; Facebook has Chief Privacy Officers; Microsoft has a Chief People Officer; Coca-Cola has a Chief Quality and Product Integrity Officer. Steve Jobs called himself Chief Know-All, no doubt partly as a joke.

However, job title inflation has been around for some time. In the 1980s, Guy Kawasaki called himself ‘Chief Evangelist’ at Apple Computer. And as far back as 1955 Flanders and Swann, the British comedy duo, wrote a song called The Reluctant Cannibal, in which a father berates his son for not wanting to eat human flesh. The father’s title: Chief Assistant to the Assistant Chief.

There’s no simple answer as to why C-titles are proliferating now at such a rapid rate. Partly it’s a response to the lingering financial crisis from 2008. The days of easy money and ever-expanding GDP are gone – maybe forever – and it’s cheaper and easier to grant an important-sounding title than it is to give someone a...
fatter package. ‘Compensation’ has morphed from money into magical thinking; those granted grander titles might feel their position is just a bit more secure than if they were just a humbler ‘manager’. Partly it’s a matter of human vanity; give someone a title and they feel flattered and more significant. And partly it’s a consequence of living in an age of flattening organisational structures: even though rigid hierarchical structures are being dissolved in the effort to make corporations fairer and more efficient, employees still want to feel important.

The corporate ladder may no longer be so steep, yet employees still think they should get a promotion, so firms feel themselves pressured to hand out ‘better’ titles to make staff feel valued.

Organisations are also increasingly using titles as a form of signalling of their own virtues. A ‘Chief Diversity Officer’ is thought to show that we really care. Perhaps the most attractive sounding title around today is ‘Chief Digital Officer’. But are boards appointing CDOs merely to show that they are doing something about the risk of digital disruption, and what is the future fate of a CDO when everyone – not too distant a prospect – works digitally?

According to Sally Drexler, an Odgers Berndtson Partner in Los Angeles who focuses on digital in the consumer business,
the proliferation of such titles is: “because of the changing nature of the roles these days, with millennials and companies going digital or disrupting industries. Companies are trying to move with the times and work out how these traditional roles are changing. According to the U.S. Department of Labor, over 65 per cent of digital roles that will exist in 2021 are not even in existence today. They have to appeal to the new type of consumer and everything has changed.”

It could, of course, be argued that dishing out bigger-sounding titles is inflationary – and just as in Weimar Germany, adding a few zeroes will end in tears. Monetary inflation, the printing of money to make it more easily accessible without relying on a strengthening economy, is socially destructive. Title inflation, the granting of inflated job titles without underlying corporate strength, no less so. Just as monetary inflation debauches currency, so does title inflation debauch language, for the sake of keeping staff happy, yet at the risk of titles effectively becoming meaningless. Far from providing people with more security, fancy titles can often make them more expendable, as The Economist put it: “Companies might hesitate before sacking an IT adviser. But what about a Chief Scrum Master? The essence of inflation, after all, is that it devalues everything that it touches.”

Yet in the end what matters, in a world of inflating job titles, is to ask yourself: am I listened to? Are my views taken seriously and acted on? The silliest of titles may turn out to be the possessor of real authority. While traditionally the Chief Executive, Chairman, Chief Financial Officer, and perhaps Chief Operating Officer have had the most clout, who knows – ‘Chief Visionary’ may turn out to be incredibly influential within the organisation, a position from which to rally all the troops. Ultimately, it’s up to you to demonstrate that you can persuade colleagues to listen to you – and that your ideas are worth taking seriously.
It was a special occasion for global management student Maria Poonawala. After all, being able to shadow the CEO of an international company for an entire day hardly comes around very often. But that’s exactly what she and hundreds of other students around the world have been doing as part of Odgers Berndtson’s CEO x 1 Day programme.

For Poonawala, a day spent with Stefan Sjöstrand, president of IKEA Canada, was the kind of hands-on, practical experience that added real life lessons to her three-and-a-half years of academic study at Toronto’s Ryerson University, where she learned the nuts and bolts of running a global enterprise.

Commenting on Ryerson’s website, Poonawala says: “I truly believe experiential learning is invaluable. It’s one thing to learn about running a company in class, but gaining hands-on knowledge and experience by getting the opportunity to shadow one of Canada’s leading CEOs was incredible. I also found the application experience to be an amazing glimpse into the executive search process that included meaningful feedback on my own leadership style, practical career advice and opportunities to hone my interviewing skills.”

Odgers Berndtson’s programme was set up 10 years ago precisely with this aim in mind: to enable young, aspiring graduates access to top ranking people as they prepared to enter the world of work.

Today Odgers Berndtson offices in countries as diverse as Belgium, Brazil, Canada, Finland, Germany, Spain, South Africa and the UK run the programme. To take part students go through a rigorous recruitment process, including online assessments and face-to-face interviews with Odgers Berndtson partners and consultants. Each finalist then spends a day shadowing a CEO and learning about their background and career path. It’s an opportunity to transfer skills and better understand what drives these future leaders.

Leon Ayo, Chief Executive Officer of Odgers Berndtson Sub-Saharan Africa, says: “This programme benefits students who have the theoretical knowledge about leadership but want to also experience the practical side.”

But the benefits work both ways, as Ayo confirms: “CEOs will gain insights into what drives the next generation of leaders and how organisations can stay...
attractive to top talent.”

In South Africa CEO x 1 Day students have had the opportunity to work with some of the country’s leading CEOs including Charles Brewer of DHL and Brian Finch of British American Tobacco.

In Belgium, Adrien Duhem, a student at Solvay Business School in Brussels, remarks that joining the programme gave him a unique opportunity to meet today’s Belgian leaders. “It bridges the gap between the academic and professional world,” he adds.

And across the Atlantic in Canada, dozens of students from universities across the country have participated in the scheme. One CEO collaborating with Odgers Berndtson Canada is Patrick Nangle, President and CEO of Purolator Inc. He says: “Demand for talent is higher than ever and this is our chance to tap into what engages and drives the millennial generation in the workplace. Our direct involvement in CEO x 1 Day was mutually beneficial – the student finalist learned what it takes to drive a major multi-national to success, and through conversations with her I garnered insights and ideas about talent acquisition that we were able to act on. In fact, we hired last year’s CEO x 1 Day finalist and have since developed a new graduate job rotation program to ensure a rewarding career path within our organisation.”

But perhaps the final word should come from Maria Poonawala: “I look forward to keeping in touch with Stefan [Sjostrand at IKEA Canada] and will follow his most important advice, which is to follow your inner compass when making decisions in life, rather than chasing the most financially lucrative opportunities. I was inspired by his people-first approach and the fact that he leads by example when pursuing his goal of making IKEA Canada the best place to work. He’s collaborative and interactive, and an inspiring leader for all employees of IKEA Canada.”

“An amazing glimpse into executive search”

To find out more about the CEO x 1 Day programme go to: odgersberndtson.com
To stay, or not to stay?

Have you planned your route to the C-suite? Before doing so, consider the following advice from Observe’s Career Coach, ERIC BEAUDAN
We are experiencing a perfect storm of organisational transformation, fed by changes in demographics (33 per cent of North America and Europe’s working population is of retirement age), technology and economic challenges.

In the midst of this storm you may be considering whether to stay in your current role and await your turn to reach the C-suite, or to look sideways, take a chance on another organisation, or set your sights on an entirely different, yet more promising, sector.

Many executives I coach often struggle with a change of career, especially if it involves making a lateral move – mistakenly believed to halt their rise to the top. Indeed, the head of executive resources for a global financial institution revealed to me that the biggest mistake people make in their careers is to stay too long in a role.

There are three simple reasons for this:

1. Believing that your name is on a secret list of ‘imminent promotions’, and that the safest route to the top is to wait it out. Isn’t the organisation looking out for you, after all?
2. You are convinced that accumulating more functional knowledge and experience will enhance your opportunities.
3. You’re doing a great job – you know it and the organisation knows it – so to consider a change would be folly.

These reasons, while making us feel good, rarely lead to a career breakthrough. Instead, you should consider any opportunity to gain broader experiences and step outside your functional track or industry.

A lateral move inside or outside your organisation can often be the opportunity of a lifetime: it provides a fresh perspective on the business or industry, and quickly teaches you that building your leadership capacity is far more important to career success than deepening your functional expertise. It also allows you to develop what people refer to as an ‘enterprise mindset’: the ability to see the organisation as a holistic entity – essential for any C-suite executive.

Another common mistake executives make is to underestimate the amount of learning they will need when they step into a more senior role. As leadership guru Marshall Goldsmith rightly pointed out: “What got you here won’t get you there.”

The leadership change from a functional executive to a C-level role is often more demanding than the much talked about shift from individual contributor to manager of people. Becoming a true senior leader requires the ability to see the bigger picture in a way that is often absent from functional roles, and to sell a vision of the future to a multitude of internal and external stakeholders.

Eric Beaudan is the Global Head of Odgers Berndtson’s Leadership Practice. He is the author of Creative Execution: What Great Leaders Do to Unleash Bold Thinking and Innovation, published by Wiley in 2012. He can be reached at: eric.beaudan@odgersberndtson.com
JONATHAN ARNOLD spoke to Avet Mnatsakanyan, CEO of WebMoney Europe, about the future for eWallets.

eWallets: The future of digital
If the predictions are to be believed, by 2019 59 per cent of all e-commerce turnover will be transacted using so-called alternative payment methods.* There are many different forms of alternative cash payments of which eWallets are predicted to be the largest player – $668 billion worth of transactions by this method compared with $603 billion for credit cards and $416 billion for debit cards. Other formats, such as bank transfer, PrePay or charge cards fall well behind these three dominant transaction formats.

The eWallet principle is simple enough: it’s just like any other wallet the difference being that money ‘held’ within it is stored virtually like money in a savings bank account. It is also possible to withdraw (redeem) funds from an e-wallet account at any time with the approval of of the e-wallet owner. eWallets allow you to make deposits and pay for goods on thousands of sites across the web. An e-wallet user can pay offline as well as online, for example to pay at petrol stations, supermarkets or restaurants. You can also use eWallets to accept payments from other sites or individuals.

One of the key players in the eWallet market is WebMoney, originally established in Russia in 1998 at a time when trust in Russian banks was, to put it mildly, at an all time low. Today it claims to have 30 million registered users and that every day more than 10,000 new users register with the system. WebMoney also claims that more than 100,000 stores worldwide accept WebMoney payments.

Readers of Observe based in Europe or North America may be less familiar with the WebMoney brand – other providers such as PayPal are much more likely to be cited. Indeed, until November 2015, when WebMoney was granted a Financial Conduct Authority (FCA) license in the UK enabling it to become an e-money issuer in all countries within the European Economic Area, WebMoney’s focus was on Russia, Ukraine, Asia, Latin America and the Middle East.

WebMoney’s European CEO Avet Mnatsakanyan, a genial Russian-speaking Armenian, is bullish about WebMoney’s prospects in the competitive European market. In a recent interview, he said: “Europeans have long preferred cashless payments. Despite bank cards being the most popular payment method, currently their position in the market is not as strong as it used to be and is gradually giving way to alternative payment methods, of which eWallet is the fastest growing. In 2014 in the UK more than 20 per cent of e-commerce payments were made using eWallets while in Germany this figure has exceeded 30 per cent. In Italy, France, Spain and Poland eWallets are also very popular and, undoubtedly, their popularity will increase in the coming years.”

Maybe. But what Mnatsakanyan is keen to stress is that WebMoney offers a great deal more than core digital money transactions. He says: “Our users can not only use our eWallet to send or receive instant payments or make purchases online but they can also benefit from a raft of additional services as part of their eWallet. These include a fundraising platform, a group purchase platform, an escrow service, file storage access to the business network and an option to manage an eWallet from within applications for mobile phones and social networks. And much more besides.”

What Mnatsakanyan wants to do in Europe – and what WebMoney has already been doing in other
To all CEOs, COOs, and in-house counsel, the buck now stops with you.

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markets – is to extend the eWallet offering to more than its basic secure payment offering. He wants to create an entire eco-system for online payment activity where users can interact with one another in a way that broadens out the eWallet base transactional activity into something much grander.

“We are unique in this respect,” says Mnatsakanyan, “and these much broader offerings set us apart from the crowd.” For Mnatsakanyan it means creating something not offered by PayPal and others. “Apart from the range of services already described we also offer secure phone calls, a messenger service, WebMoney events where ‘members’ can socialise with each other and discuss topics.”

Regarding security, Mnatsakanyan avers that it is compulsory for all users of the system to follow a two-factor authentication procedure, either using a traditional SMS confirmation or, alternatively, a new service introduced by WebMoney - E-NUM, providing customers with a unique special code each time they use the service. “WebMoney’s focus has always been on security and reliability of services. Breaches only occur as a fault of the user and ‘social engineering’ tricks.”

WebMoney’s pricing structure is straightforward. “We charge on our transactions,” says Mnatsakanyan, “0.8 per cent of the amount being sent to a maximum of just €50 however big the transaction - much less than the banks. There’s no sign-up fee either.”

Mnatsakanyan is determined to ensure WebMoney Europe provides its anticipated wave of new pan-European customers with the tools and services that others don’t. “We polled almost 10,000 customers and 90 per cent of them wanted communications tools – making calls and sending messages – while 80 per cent wanted security tools such as different ways to log in to their account. We see ourselves as an environment for people to carry out business.”

For now though Mnatsakanyan’s aim is to “educate” Europeans about everything WebMoney Europe offers. And any thought about entering the American market is tempered by the fact that WebMoney would have to be licensed in every state in order to operate there.

But with such an established base in other markets it’s highly likely that we’ll be hearing a lot more about WebMoney Europe in the coming months.

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*Source: Global Payments Report 2015*
Agility, anxiety, global mobility and constant change over the next five years will require a very special kind of leader.

The next five years could be crucial for your business. There are significant and varied changes on the horizon and the business landscape of 2020 and beyond will be fraught with uncertainty and challenges. Market volatility will increase due to globalisation, a shifting power base from Europe to beyond and an ageing population; technological development puts you in danger of becoming outdated rapidly; customer expectations will become more dynamic; and new methods of human resources will be required to engage employees.

At the forefront of these changes will be a new kind of leader – the SuperCEO. He or she must be tough, professional, have incredible vision and be capable of managing transformation.

The Odgers Berndtson report ‘The Vision of CEOs 2015-2020: 30 pieces to SUPER-vive’ is the result of in-depth research that included interviews with more than 300 senior executives of major companies in 16 sub-sectors in Spain and Portugal.
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Why did you take on the role as Managing Director, South East Asia, for Maersk Line?
Such an opportunity only presents itself once in a lifetime. Maersk Line has a long and proud history in South East Asia, and it is a privilege to be entrusted with the keys. With the best team in the industry now consolidated under one simple organisational structure, I am extremely excited about the opportunities ahead. We are uniquely positioned to further strengthen Maersk Line’s leadership position and value proposition to both our customers and talents in South East Asia.

What are the most challenging aspects of your job, in relation to recruiting and retaining talent?
Attracting talents with high mobility has become increasingly important for us. We have a unique opportunity to leverage Maersk Line’s vast geographical reach across South East Asia to field the strongest possible team in the market.

We are also actively recruiting talents and competencies from a wide range of industries. It is no longer enough to only attract the best and the brightest of the shipping industry. To stay relevant you must stay ahead and lead the change, so we are complementing our strong talent base with additional competencies and a fresh perspective.

What do you consider to be the key attributes of a successful MD in South East Asia?
We go to great lengths to ensure that the strategic planning and core operating model are aligned and clearly communicated across countries. However, South East Asia has a population of 625 million across 10 countries, so it is essential to appreciate and respect diversity across the countries. We do this with teams founded on fully empowered local talents of world class calibre at all levels. We need to mirror the diverse and complex nature of the markets in which we operate to ensure successful execution.

What really drives you in your daily work?
The fact that what we do matters. Maersk Line has connected South East Asia businesses with the world for almost a century. Our business is all about enabling global commerce, making a difference in millions of people’s lives. That is a great and lasting source of motivation.

Those seemingly anonymous containers moving around out there contain the passion and huge efforts of people and businesses all over the world.

How would you describe your management style?
Picking the right senior leaders and aligning on a clearly defined focus and ambition. I like to limit the focus to a few core deliverables, which we rally the team passionately and consistently around. I believe in having a simple standard operating model, which reduces effort required to deliver the business of today. This releases a lot of energy and resources in the organisation, which can be channeled towards entrepreneurial or transformational initiatives. These are what defines the business of tomorrow.

Do you ever contemplate failure?
I always play to win. However, if you never fail at anything, you are not pushing the boundaries enough. Taking calculated risks is part of life.

What do you do to balance work and life?
With three young children there is not a lot of balancing on my part outside of work – I just try to keep up! However, living and working internationally means there are always new adventures at your doorstep. South East Asia is amazing and we are not shy to make use of this privilege whenever a jam-packed school and sports schedule permits.
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