

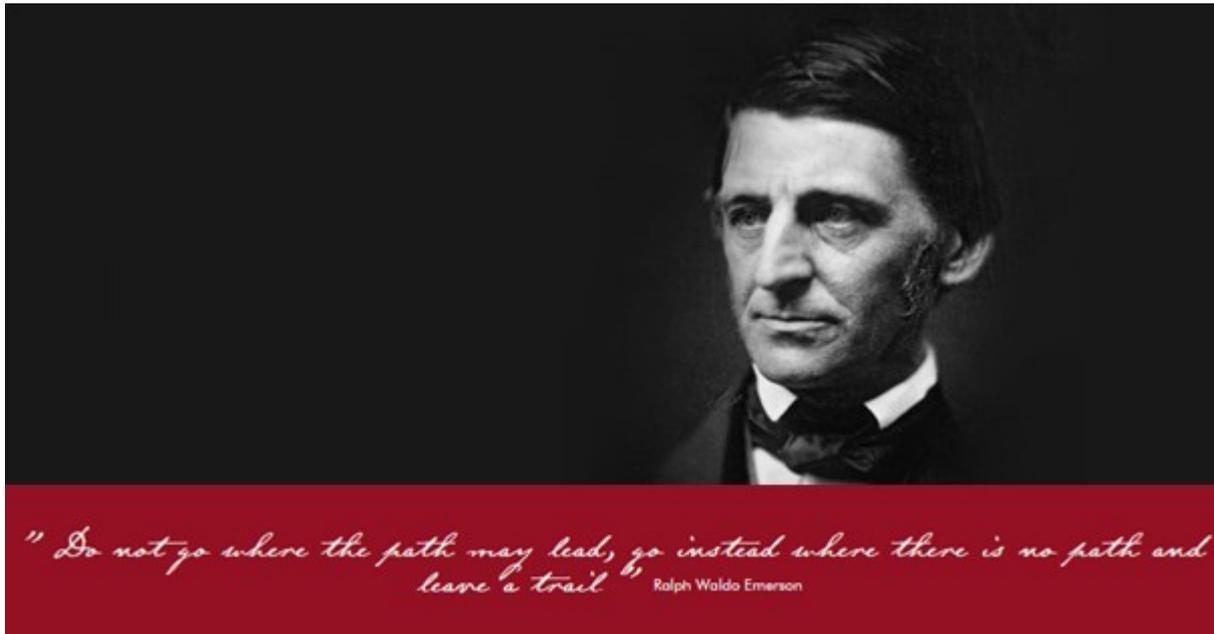


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Executive Search & Board Advisory

“DIGITAL – THREAT OR OPPURTUNITY?”



In a recently published Blenheim Partners Paper, the thoughts around “digital” were asked of Chairman, Non-Executive Director and Chief Executive Officer participants and the consensus was that digital presented both a threat and an opportunity.

Boards and CEOs are awakening to digital disruption and IT-driven innovation. On one hand there are clear opportunities, on the other considerable uncertainty. The impact of digital in participants’ minds was, without doubt, enormous, ongoing, and in many cases creating transformational impacts on business now and in the future. The following comments are reflective of participants’ views.

“Affecting all businesses.”

“Digital will revolutionise just about every business.”

It is because of this that digital is without doubt causing significant challenge in the Australian marketplace while at the time creating significant opportunities for growth. “This growth opportunity is multi-faceted, ranging from low barriers to entry into overseas markets, enabling greater customer insight and closeness to the customer, transformation

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of existing products or business lines, efficiency, productivity of workers and product innovation, and this is only the tip of the iceberg”, said Gregory Robinson, Managing Partner at Blenheim Partners.

The interesting point made by a number of participants was that digital and technology are only enablers of what has been a real underlying change in customer expectations and behaviour. Sure digital or technology is allowing this to happen, but it seems that the age-old saying of “the customer is king” should not be forgotten and should continue to be the primary focus.

One of the themes emerging in the interviews was ambivalence about digitally mediated opportunities for growth. Was it an oasis or more of a mirage? Those seeing a digital oasis focused on the “generation skip” of online buying in both B2B and B2C markets. In countries like China, for example, an entire generation views online buying with smart phones as the norm for shopping behaviour. These consumers have skipped bricks and mortar retailing and have gone straight to digital. Another example of “generation skip” is Africa where they have missed the step of the fixed line telephone and gone direct to mobile phones. This can be an enormous opportunity for many Australian businesses expanding into Asia/Africa because as they have no legacy business and more importantly no need for one. They can start with just digital and potentially be competitive, other things being equal.

When asked about why digital expertise was important to future success, participants consistently identified six ways that digital would influence company performance.

1. The first area was improving employee productivity.
2. The second area of digital influence was operational efficiency.
3. The third area was product innovation.
4. The fourth area was marketing effectiveness. As with operational efficiency, this discussion was often framed in terms of data analytics.
5. The fifth area was gaining a greater understanding of customers and their needs – the ability to get close to your customers.
6. The sixth area was market expansion.

The common theme or challenge was how to foresee the opportunities and take advantage of them. The ability to foresee or get ahead of the curve was seen as particularly challenging and requiring new and lateral thought processes in the minds of Boards, CEOs and Executives.

The need to create innovative cultures in companies with lateral thinking at their core was clearly evident to achieve growth and consequently bright futures for Australian companies. How well we are going on this task was not readily apparent, but the fact that this need was recognised was encouraging. Regarding the required competencies of future leaders to achieve this, it will be necessary for these to become more and more embedded into

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recruitment and selection practices and leadership development programs over time to enable growth opportunities to be identified and realised.

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Blenheim Partners is an elite international Executive Search and Board Advisory firm. We specialise in top-level Executive Search, Non-Executive Director Search, and Board Performance Consulting.

Founded in 2012, our team have acted as specialist adviser to many of the world's leading corporations on Board and Executive performance, capability and succession planning.

Our clients come from all sectors and a broad range of geographies. They include over 80 of the ASX 100, 10% of the FTSE 100, Private Equity, Multinational, Private Family and Mutually Owned Companies.

Our work is highly international with over 90% of our assignments global in scope.

Our team consists of senior Search Consultants, Human Resource Directors, Psychologists, Coaches and exceptionally experienced Researchers.

Our philosophy is to develop deep and committed relationships with a small number of clients and help them deliver a superior performance by optimising the composition of their Board and Executive team.

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