



EXECUTIVE CENTER FOR GLOBAL LEADERSHIP



## ADVANCED LEADERSHIP PROGRAM 2015

### TRANSFORMATIONAL STRATEGY FOR GLOBAL COMPETITION

**IAN BUCHANAN, MA, MBA, - Senior Executive Adviser, PwC Strategy & (formerly Booz & Company)**

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After a strong recovery from the Global Financial Crisis (GFC) Indonesia was cited by the IMF and others as one of the world's fastest growing emerging market economies, a 'new BRIIC' – and was projected to be a Top 5 global economy by 2030. However, despite these successes – and the peaceful democratic election of President 'Jokowi' in July 2014 - Indonesia's growth is slowing, the Rupiah is declining, domestic market integration and poverty reduction is still limited by weak infrastructure and the government budget remains stretched by continuing subsidies. The new President has called for a '*United & Dignified Nation*' which requires '*inclusive growth, poverty eradication, enhanced human rights – and strengthening the national agricultural & food systems*' - plus heavy investment in education to bring about a '*Mental Revolution*'. To realise these aspirations Indonesia must further reduce barriers to both foreign *and* domestic investment, strengthen leadership and institutional capacity at all levels – and improve BUMN productivity, and value. As competition – and transparency – increase those firms which anticipate, innovate and prepare for this new competitive environment will prosper and grow - those which continue to play by the old rules will disappear. This is Schumpeter's '*Creative Destruction*' process at work. While painful as it occurs it remains the foundation of both corporate and national transformation - and the enhanced total factor productivity required to sustain Indonesia's growth.

As rules of the game change so must organisations innovate in their management systems – the strategic leadership, structures, systems and skills needed to compete – and win - in this new and fast changing environment. *In times of rapid change the ability to lead and sustain change will itself become a source of competitive advantage.* Our research and our experience teaches us that building the capacity to change requires leaders who both acknowledge the need to change *and* have a structured approach to guide the whole organisation through a holistic *change process – a transformational strategy for global competition.*

In 2015 there are very few Companies, BUMN or even Government Departments who would not claim to have a '*Strategy*'. Despite this surveys suggest that *less than half a percent of those surveyed feel their organizations are performing at their full potential* (World Economic Forum) – and that although ~90% of leading global firms claim to have a Strategy, 7 out of 8 fail to achieve their strategic targets (Harvard Business School). The challenge for both private and public sector leaders is therefore not just to set a clear strategic direction *but to translate their strategies into action.* This requires both employees and all other key stakeholders to understand and support the strategy – *and to change their behaviours.*

This Module builds on over 40 years of 'hands-on' experience of the Course Leader, World Economic Forum and other surveys - as well as research by Harvard Business School Professors Robert S. Kaplan and David P. Norton which suggests that at the majority of companies studied... '*strategy...is almost completely disconnected from execution*'.

The Module will use both Class presentation and interactive Case Studies to:

- Build an understanding of the Global and Regional economic and Geo-Political environment, the critical challenges which will face Companies and Governments in the Post-GFC world, and the implications for strategy
- Teach a proven *Transformation Strategy Framework* which will help participants apply the teachings in their own organizations
- Identify the key barriers to change and how to overcome them
- Demonstrate the importance of creating a 'Performance Culture' to sustain change

At the end of this module participants from both the private and public sectors will understand the latest findings from both research and consulting on how to engage their leadership teams to develop a transformational strategy for global competition, and how to translate this strategy into action by means of new approaches to leadership which will align behaviours - and cultures – with the strategy resulting in superior and sustained organizational performance.

Questions, Comments & Suggestions to: [ian.buchanan@strategyand.pwc.com](mailto:ian.buchanan@strategyand.pwc.com)