



EXECUTIVE CENTER FOR GLOBAL LEADERSHIP



ADVANCED LEADERSHIP PROGRAM 2014

TRANSFORMATIONAL STRATEGY FOR GLOBAL COMPETITION

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The Global Financial Crisis (GFC) dramatically reduced global growth and the open, trade-dependent economies of the Asian region were hard hit. Despite this Indonesia has maintained its growth trajectory and is increasingly cited by the IMF and leading investment banks as one of the world's fastest growing emerging market economies, a 'new BRIC' – and a Top 5 global economy by 2030. However with a domestic market still limited by weak infrastructure, decision making on major national issues constrained by conflict between national and regional decision rights – and a government budget stretched by unsustainable subsidies, Indonesia must learn to compete more effectively for FDI by reducing barriers to both foreign and domestic investment and improving transparency of governance, especially for BUMN. With deregulation and increasing foreign involvement will come more transparency - and growing competitive intensity. Those firms which anticipate, and prepare for the new basis of competition will prosper and grow; those which continue to play by the old rules will disappear. This is Schumpeter's 'Creative Destruction' process at work and is the foundation of the total factor productivity growth required to sustain Indonesia's growth.

As rules of the game change so must the Strategies, Structures, Systems and Skills of the Companies which seek to compete in this fast changing environment. The ability to lead and sustain change will itself become a source of competitive advantage. Building the capacity to change requires a leadership team which both acknowledges an imperative to change and has structured approach to guide the whole organisation through a holistic *Transformational Strategy for Global Competition*.

In 2014 there are very few Companies, BUMN or even Government Departments who would not claim to have a 'Strategy'. Despite this the surveys by the World Economic Forum suggest that *less than half a percent of those surveyed feel their organizations are performing at their full potential*. The challenge for both private and public sector leaders is therefore not just to set a clear strategic direction but to translate that strategy into action. This requires both employees and all other key stakeholders to understand and support the strategy.

This Module builds on over 40 years of 'hands-on' experience of the Course Leader, as well as research by the WEF and by Harvard University Professors Robert S. Kaplan and David P. Norton's 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 fundamental forces which are driving change in 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 these teachings within their own organizations
- Identify the key barriers to change and define 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 behaviours and cultures resulting in superior and sustained organizational performance.

Comments & Suggestions to: ian.buchanan@strategyand.pwc.com