

The rate of change has never been so high

Chris Shearmon, from the Sheffield Haworth Singapore office, looks back at 2018 and reflects on the key changes this year has brought.

I lead Sheffield Haworth's Technology projects in APAC for our clients across Consulting, Financial Services and Government-Linked firms. Over the past year we have worked with their leaders to leverage our executive search, talent advisory & consulting solutions to truly understand the talent required to deliver these programs, whilst executing programs to engage and onboard them. Key focus areas for these clients continues to be how can they leverage new technologies, data and people to create new products and services whilst becoming more efficient. Although these focus areas remain consistent, there is broad spectrum of projects across ASEAN, Greater China and Oceania.

This time of year presents us with the opportunity to reflect on the activity in the markets we work in, whilst looking to the year ahead. Across the markets we operate in, we observe that products and services are becoming more technology driven and hence more connected. The consumer demand for these services is increasing exponentially, creating opportunities for new and incumbent firms and the advisory and technology firms who complete the ecosystem. The APAC region has seen significant changes in 2018, with increases in external investment and the internal funds committed to enable change to happen.

One major statement this year came from a senior executive at one of our payments clients, who noted that the rate of change had never been so high. The global leadership team are particularly bullish on growth, despite the already stellar stock performance and increasing competition in every part of the value-chain.

Year of consensus, alignment and action

Large legacy firms such as banks are also driving their share value by effectively communicating the success stories within their digital

transformations. They are taking cues from the digital-first firms' strategy of using new metrics to predict future success, such as the engagement of digital customers and the number of ecosystem partners using their APIs to build new integrated services. This momentum is helping firms fund these huge transformation projects, drive employee engagement across the whole organisation, whilst helping change the firm's perception as an employer of choice.

These early successes and failures are helping certain trends to really gain traction, making 2018 a year of consensus, alignment and action. Consensus is a term I have come to appreciate greatly in APAC, where-by important decisions are reached through group discussions, which isn't unique to these markets, but seems particularly important and often intertwined with cultural nuances.

For example in a conglomerate client, the senior leaders required more data before re-launching an ecommerce platform, but when they did so, the scale of investment was many times larger than a start-up venture. Then there is an example of a generational change within a large family owned business where legacy needs to be respected, yet the business can only survive through modernisation or in a start-up. Outside investment comes with new conditions, ownership or opportunity, hence the culture also needs to evolve.

Fortunately, the successes experienced through digital investments outweigh the previous caution which brings new challenges regarding alignment. Alignment has been particularly important this year, as the market opportunity for success or failure when deploying new technologies is at a high. We have observed that all of our clients have been placing a greater emphasis on digital talent at Board level, with each firm tackling their own challenges with a different



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flavour of executive. The emphasis this year has been on action and building scale, from the customer facing touchpoints all the way through to the people, processes and systems within the firm.

To scale, transform or both?

This has meant that 2018 has been a year of deep technology, data and change projects to build the future organisation. The market forces are driving several new trends, from digital-first firms building new platforms to create new services leveraging existing customer relationships, to large incumbent firms building brand new platforms where they had no legacy technology to replace, to firms who are deploying technology to manage their transition to the new using APIs and middleware built around legacy technology.

There is a greater emphasis on people, how they are empowered, diversity, creating structure whilst giving the freedom to fail and discover the new. Empowerment has been a driving force of the transformations we have supported this year, with the ability to

deploy technology and reorganise team structures at the top of most executives' wish lists. For instance, we observe that the role of a Chief Digital Officer is becoming increasingly technology focused, where-by firms have pivoted away from siloed innovation labs which generate long-term visions, to hiring technologists with deep product experience who can set the digital strategy and build it.

With the need to be more collaborative and to increase in scale comes a greater need for diversity, which remains a key topic for all companies to address. From diversity of thought to gender, ethnicity, sexuality and beyond, there is data to show that diverse teams are helping firms imagine and deliver their transformations more effectively. We see this particularly within our consulting clients, who recognise that clients expect them to have diverse teams, which challenge thinking and bring new perspectives to projects. Our corporate clients also recognise this value and have made significant steps to make more diverse hires, whilst investing in their future leaders.

Questions around structure and leadership

The ability to bring structure of thought also remains high on the priorities of the leaders in large incumbent firms when hiring new leaders, or when promoting from within. The need for and definition of structure continues to develop too. Firms now seem to have a better grasp of how technology influences their customers' behavior and are able to glimpse future states by observing their data, other geographical markets or parallel industries where change has already occurred. The structure they require here is that of someone who can focus the business on building what's important quickly, hence the demand for technologists who build products using more open sourced tools and methods, such as agile. The structure here also comes from the ability to get products and services in customers' hands quickly, where they can be tested and improved using real data, which allows the business to become more customer centric.

Structure is also required on the business side too, particularly when a new capability, product or service is being brought to market. This has been most prevalent when digital-first or advisory firms have wanted to extend what they already do for their

clients, where there is no shortage of technology or connectivity. Structure here addresses several factors, from credibility with new or existing investors, connectivity to external stakeholders such-as regulators or policy makers, to the executive presence needed to get buy-in for, sell and execute large strategic initiatives.

This year we have observed that these strategic initiatives often use emerging technologies which were previously the subject of white papers or narrow use cases until recently. We are fortunate to work with clients who are bringing new products and services to market in the form of robo-advisors, through to IoT and Block Chain, which are already generating real value. Artificial Intelligence has gained real traction this year and is being deployed across businesses to aid better decision making, whilst integrating with automation programs to deliver more efficient digital operations with data at the core.

Challenges around talent

Whilst the promise of the new is enticing, people challenges are still cited as the main roadblocks. When clients reflect on the talent required, there is the need to break each situation down. The talent needed to address current challenges is often in short supply and this increase in demand drives increases in cost. In order to satisfy demand and hire at scale, compromises inevitably have been made, presenting challenges further down the line. Whilst acquiring new talent is important, firms are working harder than ever to bring their whole organisation through change and break down the silos across their organisations. We have also observed that firms have found it challenging to assess new talents using existing KPIs and integrate talent who have often been hired from outside of the firm's traditional talent ecosystem. There is also a shift in employee expectations, from understanding their employer's "mission", to greater empowerment to make decisions, ownership through equity and greater financial expectations. Companies often find it difficult to engage talent across generations, which has resulted in short tenures and a lack of real delivery in the younger generations, and lack of opportunity for learning or ability to lead new initiatives for the more senior colleagues. However; these challenges have

become better understood this year, allowing business and HR leaders to more effectively plan their workforces over the short to medium term.

Firms are positively responding to these challenges, by combining top-down board sponsored directives with employee led initiatives. For firms who have needed to engage technology talents from beyond their traditional ecosystems, creating enticing new digital hubs which mirror the environments of tier-1 tech firms, has been one of the biggest focuses. Incumbent firms have also benefited from leveraging methodologies such-as agile, to drive productivity, impact and employee satisfaction. This has led to rewarding opportunities for senior leaders to come into large firms and make a big impact quickly. With scale and market opportunity comes the ability to prove value, which has led to a significant increase in compensation packages, attracting more global talents to the APAC region. As digital channels mature, so does the scale of the teams and therefore the need for strong governance and leadership.

The future

We see 2019 as a year for building and scaling the existing strategy, improving what is already in the hands of customers, whilst continuing to build the foundations for future innovations. We believe that this puts greater emphasis on skills which may have been overlooked during times of rapid scaling or innovating. Leadership, resilience, personal brand, communication, empathy, decision making, accountability are featuring more frequently in client discussions as we move into 2019. We now require more rounded talents to build the future, creating vast opportunities for those with these skill-sets and those who are willing to invest in themselves and their organisations.

While we believe 2019 will be a year of delivering, we also foresee that products and services will become more human, where design will play a greater part of the experience and the technology disappears into the background behind interfaces such-as voice assistants. Greater connectivity and more seamless experiences will also present firms with the ability to create more integrated partnerships, drive bigger mergers and acquisitions, capturing more value for economies, investors and customers in APAC.