

Leading in the connected age

How social, mobile, big data and cloud are changing
the way companies recruit and develop senior talent.

EgonZehnder

Technological transformation continues to unfold at a relentless pace. To effectively adapt to this new era, companies must recruit and develop a different kind of leadership talent. This is a big ask, because demand for leaders with deep technological acumen far outstrips supply. Egon Zehnder consultants from China, India, Europe and the US recently conducted interviews with over 50 experts around the world to shed light on today's tech-driven talent trends. This article suggests strategies for identifying and recruiting senior talent equipped to navigate in the connected age¹.

What to look for: leadership and analytical skills, plus deep insight into how technology impacts business

One finding stood out from this inquiry: To lead successfully in this transformative era, senior executives must demonstrate a broad set of inspirational people leadership, change-management, and analytical skills, as well as strong insight into how technology and data impact business. While expertise in specific technologies such as mobile or big data will be important for some senior roles, it is not sufficient. Getting large organizations to adopt and profit from new technologies requires creativity, entrepreneurship, and commercial orientation in addition to strengths in advocating change, mobilizing data-driven business decisions, and building collaborative partnerships.

For example, a global consumer company recently created a new executive position to steward greater data-centricity in its decision-making processes – a major change-management task. The new executive will be responsible for developing a view on the customer across digital, retail, and wholesale channels – a job that will require both deep analytical skills and considerable creativity. Likewise, a large food service company wanted to harness mobile and social technologies to create a much more powerful customer experience and drive sales growth. It hired a CMO who had both

1. See also "Destination Digital: Finding and Building the Talent to Get There", Egon Zehnder, 2012

a strong consumer marketing background and the analytical skills needed to make use of the reams of customer data available through mobile and social media. The company also hired a CIO who combined a strong engineering background with the creativity required to develop a compelling mobile app experience for customers.

Asia's largest betting company, seeking to migrate its customers from call centers to mobile platforms, hired a CIO with a strong mobile technology background (he had previously held a senior role in a telco) as well as the capability to draw consumer insights from social media. This new CIO is responsible for enabling the transformation of the betting experience – allowing customers to exchange information with other betters and seamlessly access information such as horses' previous race performance. He understands how to apply broader tech trends to the company's specific context, observing: "Industries of all kinds are shifting their service offerings from a personal, people-based relationship to online channels such as the web or mobile." One of this leader's key priorities is to acquire and develop the right skills – such as user interface design and communication capabilities – within his team.

Five key attributes for leadership talent in the connected age

In our experience, executives who can meet these challenges – within tech or non-tech companies and in functional as well as general management roles – demonstrate five distinct attributes and competencies:

1. The ability to analyze and glean insights from data
2. The ability to "connect dots" – seemingly unrelated trends – to set up new business models
3. Comfort in operating in a truly globalized market
4. Deep understanding of the new generation of "digital native" consumers – for example, how social media conversations impact consumer decisions
5. Transformational change management experience – the ability to

adapt to and drive change, including the ability to develop and use new platforms through trial and error, make quick decisions, learn from mistakes, and build on success

In many roles, of course, particular technological skillsets will also be required, in areas such as mobile or social. For example, a vertical e-tailer recently appointed a GM of Mobile to propel its customer offering in a world of mobile pervasiveness, and to unlock greater sales through local targeting and social features. Likewise, another e-commerce player hired a new Head of Sales with special expertise in mobile, given the migration of customer orders from PC to mobile. The same company hired a CMO with deep experience in social technologies, to drive product innovation based on insights gained through social media. A traditional TV broadcast firm hired a Head of Marketing with a strong mobile background to shape marketing campaigns targeting customers who increasingly view content on tablets and mobile phones.

While these technology-specific “spikes” are critical, most such roles require a wider set of leadership attributes and technological knowledge. This is true both of existing roles, such as the CMO and CIO, whose scope is expanding in line with technology trends, and of new roles such as Chief Data Officer. Indeed, it is increasingly common for companies to hire executives into broad digital roles encompassing mobile, social, gaming, and other technologies rather than mobile- or social-specific roles. A few years ago, companies were trying to augment their teams with mobile experts in particular. Today, mobile experience is a table stake, a skillset expected and required in top digital and technology leaders.

Talent implications of key technologies

Nonetheless, different technologies – and the opportunities they create – have quite different implications for senior talent (see box). The transformative business opportunity from cloud, for example, is distinct from that created by mobile and social: cloud greatly impacts sales models, technology partnerships, and product development. As a result, CIO roles and IT teams across many industries are undergoing a transformation and must develop new skills and capabilities. This also applies to senior marketing and product development roles. In

technology companies, cloud is creating a fundamentally new set of requirements in senior engineering, sales, and business development roles. CFOs need to change their reporting: the metrics are less about bookings, and more about recurring revenues. In non-tech companies, cloud is profoundly impacting several senior back-end roles, particularly in supply chain management.

In scoping particular executive roles, companies must be cognizant of the specific opportunities different technologies create in their industries – and seek out candidates who have not only the relevant “spike” but also the broader capabilities to drive change and create value from technology. Companies must also be ready to develop the technological acumen of their current pool of high-potential employees with strong intrinsic leadership potential.

Key technologies and their implications for senior talent

The mobile market encompasses an ecosystem of devices, operating systems, applications, and services that creates “always connected” utility value. With mobile phones now near-ubiquitous worldwide and smartphone penetration growing rapidly, mobile is a key channel for every industry. Whereas device makers and telcos previously captured the lion’s share of value from the mobile market, we now see a shift to companies that deliver compelling software platforms and applications.

There is very high demand for a limited pool of senior mobile talent across industries and geographies – from banking in Africa to media in Hollywood to healthcare in Europe. What is more, there is a clear divide between “Mobile 1.0” talent from the pre-iPhone and tablet era and the “Mobile 2.0” talent of today, who are well-versed in the smartphone ecosystem and so are in much greater demand.

Turning to social, companies across industries are embracing digital social interactions to innovate products and services, strengthen

customer engagement, and create business value. The world is becoming interconnected via vast, always-on, ubiquitous networks – and the ways in which individuals interact, form relationships, and make consumption decisions are changing drastically. At the same time, social media interactions generate vast amounts of data; “big data” opens channels for consumer behavior analysis and an array of “social business models.” Social media skills are increasingly required across organizations, from customer service to product merchandising to employee engagement. There are also emerging roles in analyzing and commercializing social data. Moreover, pure-play internet companies are appointing a C-level executive responsible for the broad suite of “social” activities. As a result, demand greatly outstrips supply of talent with deep social experience. Companies must therefore recruit and develop bright talent who can drive change – and focus on skills and potential rather than past experience alone.

Cloud represents the availability of large computing capability (software applications, data storage or infrastructure) on a remote, as-needed basis. Service is provided via the internet, often on a pay-per-use billing model. Cloud is the disrupter of many industries as long-term commitment and significant capital expenditure are no longer required to obtain computing power. Within the tech industry, cloud is intensifying competition among service providers. In the broader economy, cloud is an enabling digital revolution – as the combination of “Cloud + High-Speed Connectivity + Smartphones” reduces the investment required for start-ups to launch and scale.

These developments have profound implications for senior talent. Tech companies are recruiting cloud-specific talent, including C-level leaders of cloud computing, to drive their business model shift from on-premise hardware and software to cloud services. Companies across a broad range of other industries are seeing the CIO role change significantly from being an in-house infrastructure and applications provider to a business-savvy consumer of

thirdparty cloud services providers. Requirements of other senior functional roles – including product development and supply chain – are also strongly impacted by cloud. Talent with exposure to and experience in implementing, selling and building cloud services business is in short supply. Companies must therefore develop and recruit adaptable talent from telcos and systems companies that are keen to make or have successfully made the transition to the cloud world.

Search globally and develop from within

Where should companies look for the talent needed to lead transformation in the connected age? In our experience, the answer is to look far and wide – as well as within your own organization.

Given the intense competition for senior talent with strong technological acumen, companies need to search globally and well beyond their own industries. Key talent sources include Silicon Valley, digital start-ups (from New York to Scandinavia to Japan), and pure-play consumer internet companies. For example, this could include a pending wave of digital leaders from the Silicon Valley, seeking a fresh challenge after their companies' IPOs. Other sources could include Tier 1 IT firms, telcos, digital agencies, consumer electronics companies, and management consulting alumni with strong skills in change management.

Companies must also be ready to retool and reskill their current talent, objectively identifying people who have strong intrinsic potential to succeed in senior digital roles.

Finally, larger companies should consider the option of “acqui-hiring” – acquiring companies with teams specialized in key capabilities such as data analytics, mobile app development, and social media management. Stefan Rust, Co-founder & CEO of EXICON, notes that: “Companies like Yahoo, Apple, Amazon, and Google are doing this all the time, bringing in fresh ‘blood’ to continually evolve. Part of their DNA is now the ability to source, acquire, integrate, and retain.”

The rising importance of technologies such as mobile, social, big data, and cloud demands a fundamental rethink of talent requirements – both for technology companies and for firms across a wide range of other industries. Companies must recruit and develop new capabilities, and in some cases create entirely new senior roles. To determine how well prepared they are for this talent-driven business transformation, companies would be well advised to conduct thorough assessments of their current talent against the skills and attributes discussed above – and to pinpoint the kind of talent they need to harness technologies.

To fill the gap between their current capabilities and those required for future success, companies will need to look across industries and geographies for the right talent – a task that will require determination and imagination, given the tremendous global demand for talent that can navigate the connected age.

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