



Asia Business Forum

***Major Trends Affecting Your
Business & How To Develop
Your Leaders***

27th July 2009



**MATRYZEL
CONSULTING**

LEVERAGING KNOWLEDGE, CREATING VALUE

AGENDA

- Globalization - Emerging Markets & The Competition for Top Talent
- Innovation In The Midst of Complexity
- Rethinking The Business



GLOBALIZATION - EMERGING MARKETS & COMPETITION FOR TOP TALENT



The Global Marketplace Today



Globalization Matures

Global sourcing has transcended offshore outsourcing and is an imperative in most Global 2000 companies' sourcing strategy

New Markets, New Suppliers

New supplier markets emerging as contenders to India and the Philippines. China and Eastern Europe gaining momentum as other markets emerge.

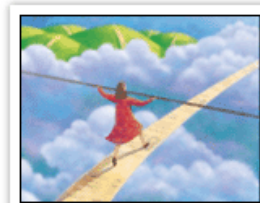


Risks Continue

Political instability keeps concerns high, creating ongoing need to address and overcome offshoring risks

Failures Publicized

Offshore failures, as a result of poor transition management, are surfacing



Controversy

Controversy, and the resulting media attention, surrounds offshoring sparked by election year posturing, more government-related jobs are being required to be Localized

New Business Opportunities & Locations



Popular Offshore Outsourcing Destinations



- Multinational companies are aiming at a global supply chain, while service providers are looking at newer destinations to enhance their delivery footprint in the competitive sourcing scenario.
- Companies that have made India and/or China their “hub” are especially looking at countries like the Philippines, Malaysia, Vietnam, etc as “spokes”.
- For instance, Indian companies like Infosys, Satyam, Wipro, etc. have set up centers in Malaysia & Philippines to compete with the global giants like IBM, Accenture, etc.
- The “Spokes” serve as regional centers serve or disaster recovery and business continuity centers, and sometimes just near-shore centers to some of the key markets.

The adoption of “global delivery” – as a result of increasing knowledge and maturity amongst buyers – is leading to a search for newer locations beyond established destinations like India, and creating opportunities for emerging destinations

Source: KPMG Analysis

And Changing Role of Governments



1 Need to Improve Quality of Life

2 Focus On Simplifying Access to Services

3 Increase Flexibility and Capacity of Citizens

4 Maintain and Increase Quality of Govt. Programs

5 Involve Industry Proactively For Socio-Commercial Development

With Inherent Econo-Commercial Issues



1

SURPLUS of Talent

- ✓ 277% of per-capita income spent on tertiary education in some countries
- ✓ >175M skilled workers in Africa, rural India and China
- ✓ 60% unemployment among university and high school graduates
- ✓ 32 million rural Chinese leave their towns each year for big cities, in search of work; 45 million rural Chinese youth are currently enrolled in senior secondary schools
- ✓ Over 990,000 young people graduate from secondary and tertiary institutions in Ghana and Kenya each year and face 60% unemployment

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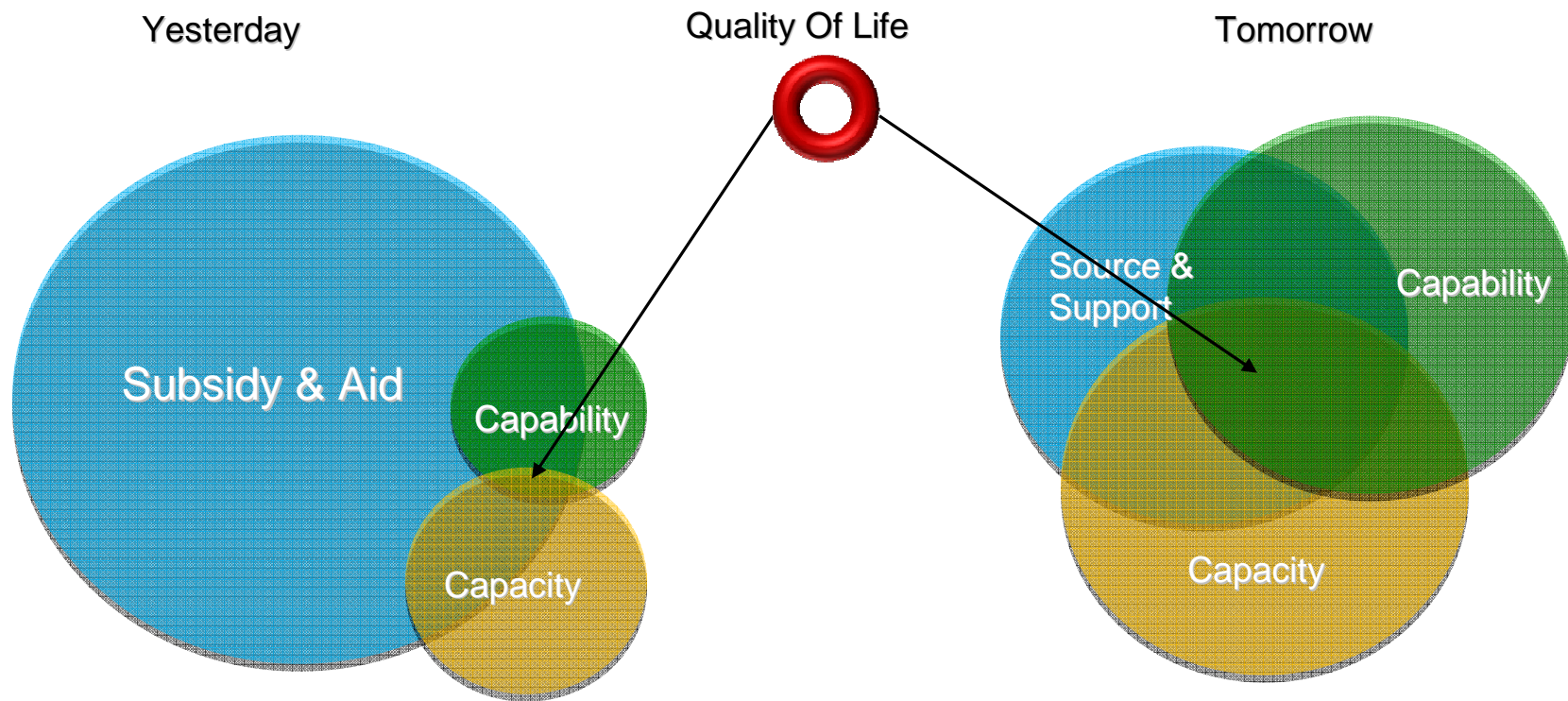
Client DEFICIT

- ✓ Perception that economically depressed regions are open for aid, not trade
- ✓ Few opportunities for smaller firms to connect to US clients
- ✓ No socially responsible option that promotes economic development

INNOVATION IN THE MIDST OF COMPLEXITY



Capacity & Capability – Integral Components of Quality of Life



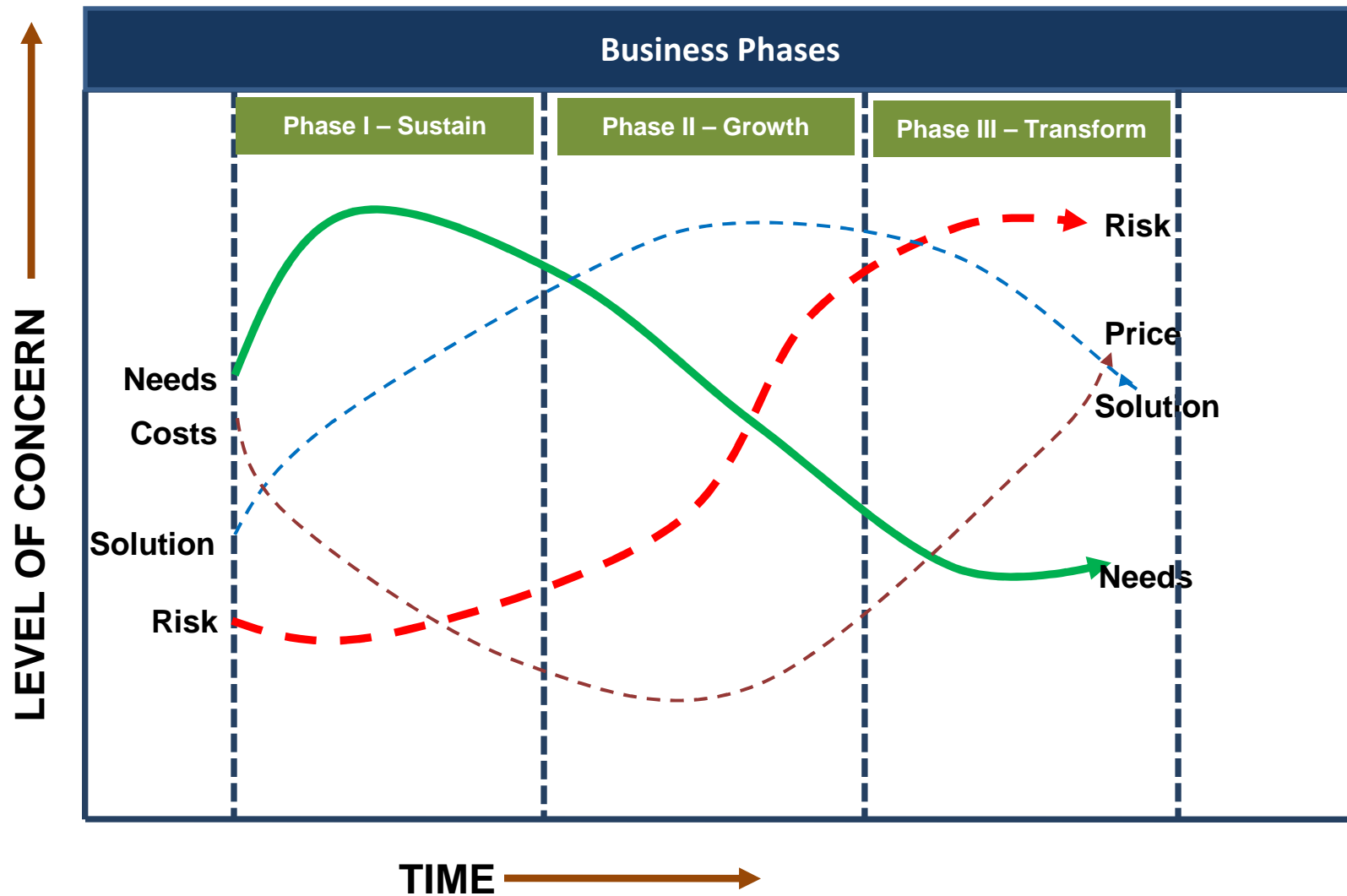
SUBSIDY & AID – NECESSARY EVIL

- Near Term Cost Attributes
- Government In Driver's Seat
- Effort Oriented, Rather Than Productivity Driven
- Promotes Crony Capitalism At The Cost of Many

COMPOUNDING EFFECT

- Relative Equilibrium Among Citizen Imperatives
- Capability Prominent For Buss. Value Decisions
- Greater Government-Industry Collaboration
- Sustainable Jobs, Purchasing Power & GDP Growth

Business Concerns Shift Over Time



Source: 2008 © Matryzel

The Journey Requires Us To Think Differently – Because It Is The Death of Discrete Categories



Examples	Traditional Discrete Categories					
	Core Activity		Type of Business		Innovation In	
	Hardware	Software	Product	Services	Product	Process
Bridgestone	Tire	Usage Measurement	Yes - tire	Yes- pay/use contract	Yes – app specific	Yes – workflow for measurement and pricing
ING Insurance						
Google						
Casas Bahia						
Netflix						
Hindustan Lever						

Requiring A Transformatory View to Innovation



Moving To an N =1 and R = G Model

N = 1

- Based On Unique Personal Experiences
- One Consumer At A time
- Centrality of the Individual i.e. N = 1

Flexibility

Quality & Cost

Experience

Collaborative Networks

Complexity

Customer Interfaces

Scalability

- Access To Resources
- De-focus on Ownership of Resources
- Creating A Global Ecosystem i.e. R = G

Access to Resources

Speed

Scalability

Innovation Arbitrage

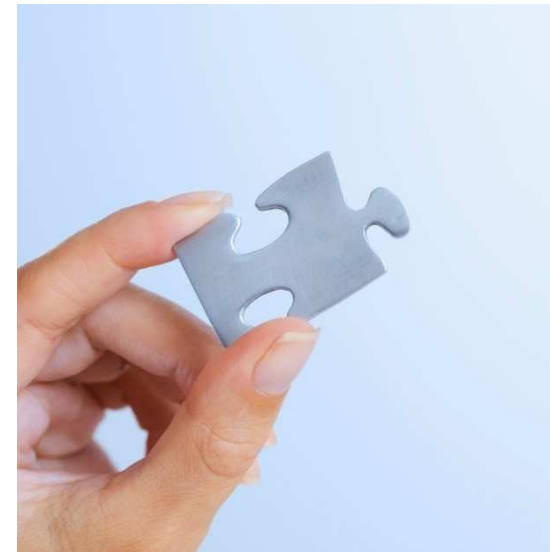
Global Talent Pool

R = G

FOCUS

VALUE

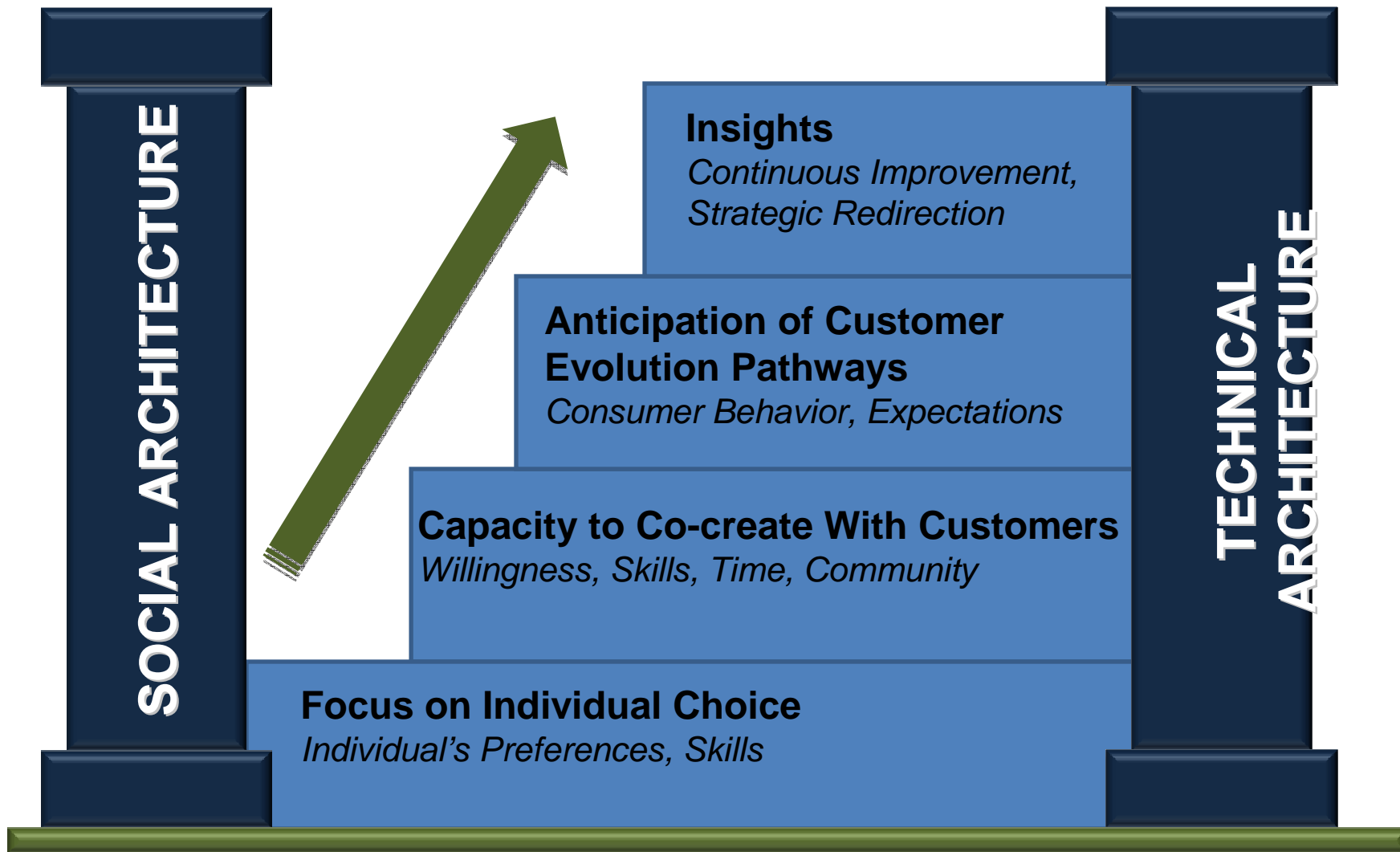
RETHINKING THE BUSINESS



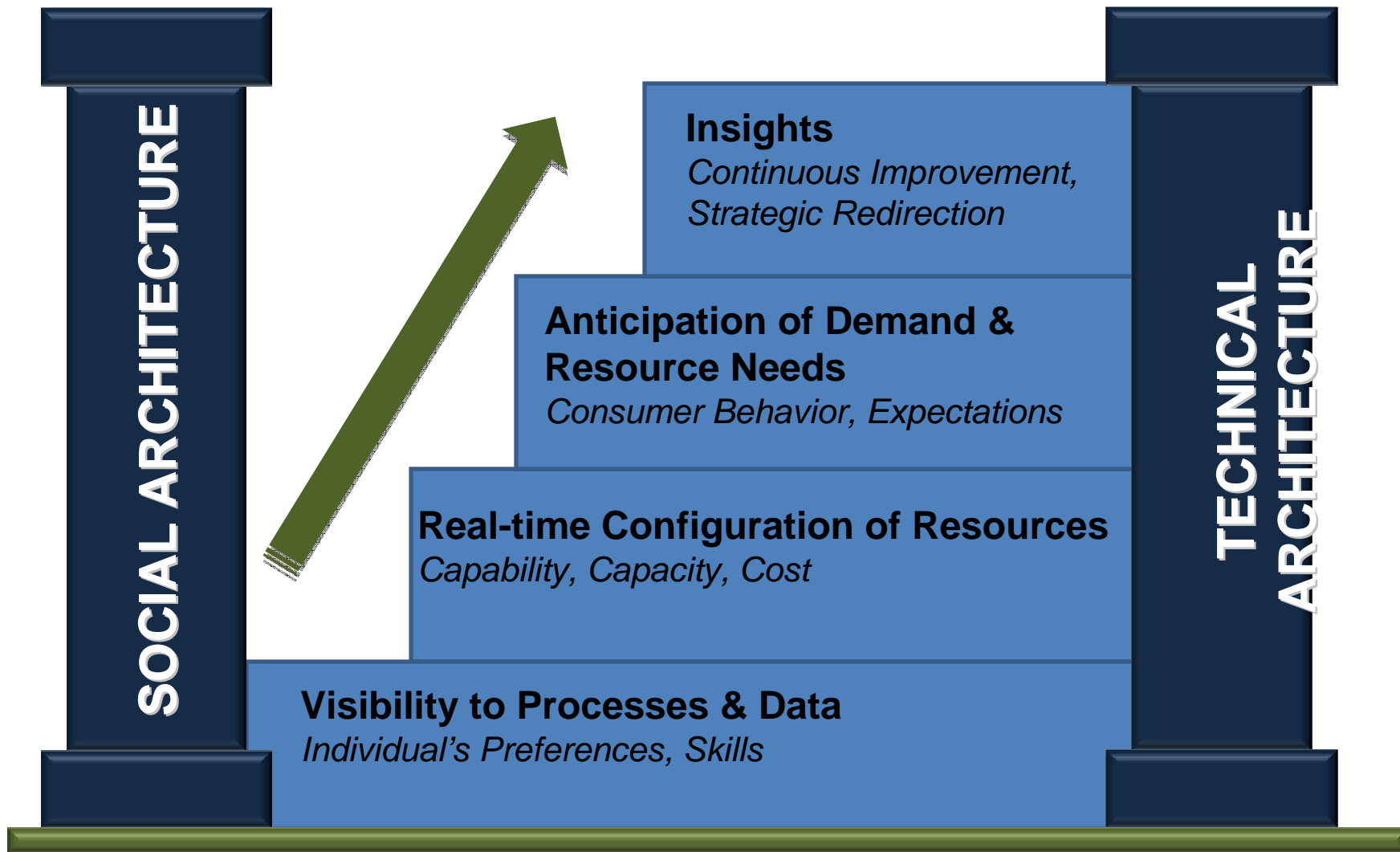
Understanding The Architecture



Creating Building Blocks for N = 1 Capabilities



Creating Building Blocks for R = G Capabilities



Global Knowledge Partnership



www.globalknowledgepartnership.org



Vision: A world of equal opportunities for all people to have access to and use knowledge and information to improve their lives.

- ✓ The world's first **multi-stakeholder network** promoting innovation and advancement in Knowledge and Information and Communication Technologies (ICT) for Development.
- ✓ GKP **brings together Public Sector, Private Sector and Civil Society organisations** with the goal of Sharing Knowledge and Building Partnerships in Knowledge and ICT for Development.
- ✓ GKP activities and programmes **foster the innovative application of knowledge and technology to address and solve development issues** in four strategic themes - Access to Knowledge, Education, Poverty Reduction and Resource Mobilisation.
- ✓ GKP operates globally as well as in 8 regions: Africa; Europe; East Asia; Latin America and the Caribbean; Middle East and North Africa; North America; Oceania and South Asia.
- ✓ GKP members demonstrate ideas through projects on the ground; and they influence policy at a global level.

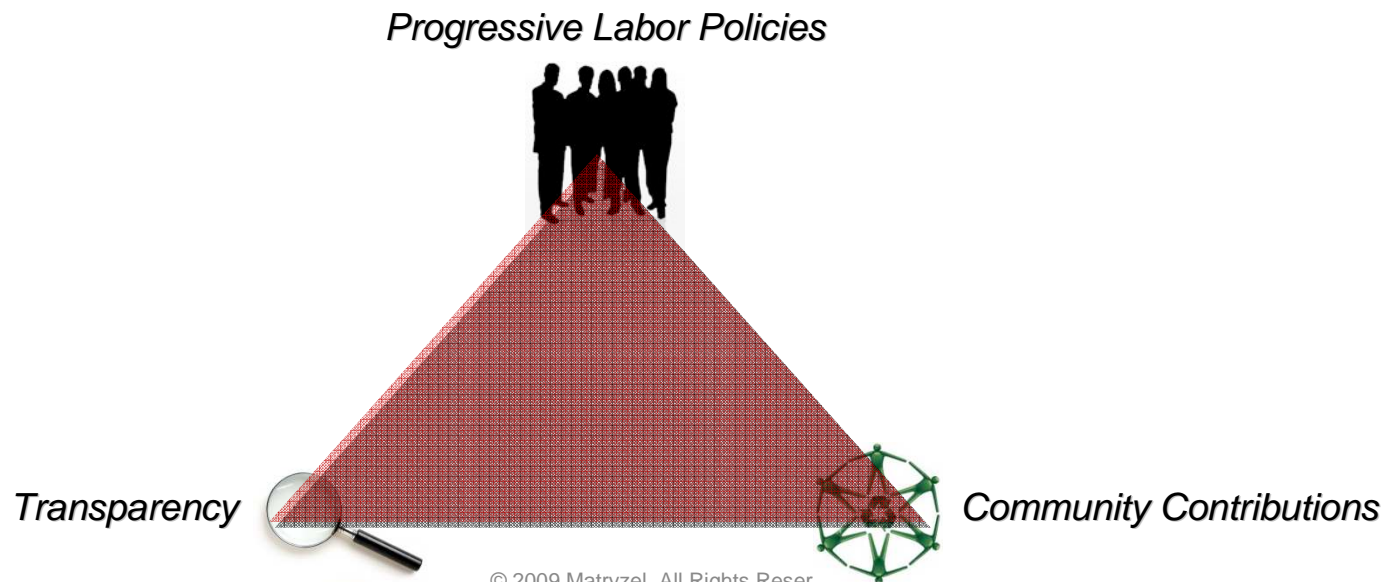
SamaSource – Sourcing Responsibly



www.samasource.org

samaSOURCE

- ✓ An Initiative of Stanford Law School & Leila Chirayath Janan
- ✓ Principle
 - ✓ Get money into High Poverty areas
 - ✓ Keep Money in High Poverty Areas
 - ✓ Keep Money in Good Companies
- ✓ Is a social business helping bright but marginalized people in poor regions find dignified jobs by expanding their access to markets.





THANK YOU

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