



# BoardAsia

QUARTER THREE 2009

A NEWSLETTER FOR MEMBERS OF THE CONFERENCE BOARD IN ASIA

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## Fosler Warns of Asia Asset Bubble Risk



**Gail Fosler** President and Former Chief Economist, The Conference Board

Asia faces greater risks from asset bubbles caused by global stimuli than from threats to economic growth, said Gail Fosler, president and former chief economist of The Conference Board, speaking at a September economic briefing in Hong Kong. Fosler noted that the global financial stimulus is huge, liquidity is high, and the growth in assets continues to be stunning. This sets the stage, she said, for asset bubbles to move out of the United States and into Asia and other emerging markets. Among Fosler's key points:

- Short-term indicators suggest recovery, but the path forward is likely uneven
- Supply response that drove the downturn now supports the rebound
- The growth burden of a weak consumer sector falls mostly on the United States
- Micro effects on product, service, and business model innovation are underrated
- Growth slowdown is not just a U.S. phenomenon—it is worldwide
- The financial stimulus is huge and liquidity is high and rising, and debt remains high
- Risk of instability and an Asian asset bubble is greater than the risk to growth

Real estate in Asia was especially at risk, she commented, of becoming overbid with prices escalating beyond the ability of underlying rents.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Chief Financial Officers Council

The Asia-Pacific Chief Financial Officers Council met in April to discuss “Managing through Uncertain Times.” Rainer Schultheis, vice president and managing director, Europe, Middle East, and India, The Conference Board, facilitated the meeting, held at Allergan’s premises in Singapore. Key points from the group’s discussion agenda:

- First quarter actual GDP numbers show a global economy that is still in deep recession.
- The Conference Board Experimental Leading Economic Index for China has been rising since the beginning of 2009. In addition to the financial components which have been driving growth in the index, the sentiment indicators have also begun to improve somewhat in recent months.
- China is export-dependent and needs more local consumption to sustain its growth rates, while India in comparison is less export-dependent.
- “Green shoots” are apparent, but it remains to be seen if they are temporary or more sustainable.
- The Conference Board Leading Economic Index™ also suggests that economic conditions are likely to keep improving in the near term with supply constraints seemingly lifting as inventory, production, trade, and employment numbers improve.
- Effective working capital management can reduce the need for external financing and help fund critical business projects.
- Demand forecasting remains a perennial challenge and is more pronounced in some industries than in others.
- More research work is required to link macro-level leading economic data to actual business demand forecasting.

**Next Meeting** April 8-9, 2010, Singapore/Sydney

To find out more about this council, please contact Alice Lee, council manager, at [alice.lee@conference-board.org](mailto:alice.lee@conference-board.org) or (852) 2804 1029.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Chief Information Officers Council

The Asia-Pacific Chief Information Officers Council held its meeting in Singapore in June. Abi Hashani, regional director, The Conference Board welcomed members with a brief overview of The Conference Board's activities in the region. Each attendee shared recent events in their organizations, including major business issues that arose, changes in the IT function, and programs or initiatives specifically designed to deal with the challenges of the economic downturn. The council group discussed the following topics:

**A major CIO challenge** It is important to get the organization's business units and technology function more in tune with each other. Attendees shared their business plan process and discussed the roles of teams involved in deciding and implementing corporate strategy, critical operating tasks, and ways to facilitate the process.

**Managing IT in a downturn** IT can optimize processes and improve time spent on maintenance by focusing not just on cost, but on time efficiency and value realization. Accelerating the momentum of saving and increasing efficiencies within the current environment can positively affect new product launches, marketing analytics, and commercial positioning.

**Current trends in outsourcing** Attendees explored offshoring of infrastructure management and found that agility remains an issue, but operational performance has gone up. Some companies' lack of a global footprint can complicate project delivery. Data center merging could have negative impacts such as cuts in wages and lost talent.

**Using Web 2.0 to deliver business value** Jessica Tan, principal, and Robin Loh, associate principal from McKinsey and Company were invited to present the findings of McKinsey's annual study on the growing use of Web 2.0 technology.

**Next Meeting** November 24-25, 2009, Manila

To find out more about this council, contact Alice Lee, council manager, at [alice.lee@conference-board.org](mailto:alice.lee@conference-board.org) or (852) 2804 1029.



Left to right: **Stephan Goh**, Regional IT Director, Johnson & Johnson Consumer Asia Pacific; **Stefan Neff**, Director, Information Technology, Asia, Procter & Gamble (Asia) Pte Ltd; **Carmen DeVito**, Regional IT Director, DuPont Singapore (PTE) Ltd; and **Douglas Webster**, Vice President, IT Infrastructure, Shell Information Technology International Sdn Bhd.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Risk Management Council

April's meeting of the Asia-Pacific Risk Management Council, "Managing Risk in Asia-Pacific," was hosted by Temasek Holdings Ltd in Singapore, with Rainer Schultheis, vice president and managing director, Europe, Middle East, and India, The Conference Board, as moderator. The opening topic, "Emerging Governance Practices in Enterprise Risk Management" (ERM), was presented by Matteo Tonello, associate director, governance research, The Conference Board, via a live webcast. The presentation covered The Conference Board's research projects on ERM, the definition and features of ERM, and major governance issues in ERM design and execution.

The first roundtable discussion covered the link between corporate governance and ERM, and related implementation challenges in Asia, with a particular focus on China. Participants shared their specific corporate approaches to risk management in Asia-Pacific, as well as personal insights. Participants also shared their personal experiences and insights on the second topic, "Ethics, Corporate Conduct, and Reputation," and the group concluded that corporate and individual integrity is at the core of corporate ethics and conduct programs safeguarding the company's reputation.

**Next Meeting** Date and venue TBD

**To find out more** about this council, please contact Adrian Lui, council coordinator, at [adrian.lui@conference-board.org](mailto:adrian.lui@conference-board.org) or (852) 2804 2776.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Communication and Marketing Council

The May meeting of the Asia-Pacific Communication and Marketing Council, “Engagement and Demonstrating the Value of Corporate Communication,” was held in Hong Kong and hosted by CLP Holdings Limited. Abi Hashani, regional director, Asia-Pacific, The Conference Board gave a briefing on The Conference Board’s activities, accompanied by program director Christine Hess.

A discussion of members’ challenges included the difficulty of finding a balance between local and global initiatives, and the risks involved when local offices try to handle issues on their own.

Philip Wixon, practice leader, talent and organisation consulting, Hewitt Associates LLC, presented Hewitt’s “Best Employers in Asia 2009” study. The survey of CEOs and employees shows the link between engagement and business results, and found that there is a strong belief among company leaders that competitive sustainable advantage is driven to a large extent by employees. Wixon noted the three key behaviors of engaged employees, namely “say,” “stay,” and “strive.” The group discussed the presentation and agreed that brand alignment and the employee value proposition are critically important.

Hot topics at the following roundtable discussion included organizing and structuring technology, blogs and dialogue, and media engagement. Another discussion followed on the measurement of corporate communications’ value, including internal performance surveys, public and media surveys, and impact on influencers such as government. Overall the group agreed that it is important for management to understand the function of directors of corporate communications, and to clearly define expectations.

**Next Meeting** November 4-5, 2009, Singapore



**Jane Lau** Director, Group Public Affairs, CLP Holdings Ltd.

To find out more about this council, please contact Adrian Lui, council coordinator, at [adrian.lui@conference-board.org](mailto:adrian.lui@conference-board.org) or (852) 2804 2776.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Corporate Citizenship and Sustainability Council

The May council meeting, “Corporate Citizenship and Sustainability in Asia: Strategies for 2010 and Beyond,” took place in Hong Kong. The meeting began with introductions from Abi Hashani, regional director, Asia-Pacific, The Conference Board, who gave a presentation on The Conference Board’s programs and research in Asia, and Christine Hess, program director, who gave an overview of the council’s operation. Meeting attendees shared their responsibilities and their companies’ activities in corporate citizenship and sustainability (CCS). Their discussion on measuring CCS efforts led to the following thoughts:

- There are two reporting standards: global reporting initiatives and ISO standards
- Much reporting is dictated by the head office location
- It is difficult to measure the bottom line contribution of CCS efforts
- Changes are being encouraged through the value chain
- Corporate social responsibility in China remains a major question area
- Transparency and compliance is a challenge that involves management of customer requests, engagement with legal departments in legal issues, regulatory requests, employee requests, and stakeholder groups
- Compliance varies across regions, as do the challenges of managing standards globally
- Many multi-national companies (MNCs) are operating on a global standard
- What is the best communication process and structure to ensure compliance and transparency and inform all stakeholders?

In the second main session, Hess gave a presentation on the council’s recent survey, The Corporate Sustainability Agenda, examining the strategic issues faced by executives in charge of corporate social responsibility and sustainability in Asia-Pacific. Following a review of the survey background and respondent demographics, Hess presented a summary of the key findings:

- More than half of the respondents to this year’s survey do not think that the current financial crisis has had a negative impact on existing corporate citizenship and sustainability (CCS) programs.
- None of the respondents to the survey think that CCS is a strictly Western concept; however more than half report that Asia, Europe, and the United States have different definitions and approaches to CCS.
- Nearly half of the respondents report that their company’s CCS strategy is very strongly linked to the overall corporate strategy.
- Different companies assign responsibility for implementation of CCS strategy to different areas and/or functions of the organization.
- Respondents also reported that their public affairs and operations functions are often held accountable for their company’s CCS strategy.
- More than half of the respondents reported that their company has not had to scale back on any of their CCS projects because of the economic crisis.

**Next Meeting** November 3, 2009, Singapore

To find out more about this council, please contact Adrian Lui, council coordinator, at [adrian.lui@conference-board.org](mailto:adrian.lui@conference-board.org) or (852) 2804 2776.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Asia-Pacific Supply Chain Council

“Supply Chain Management—Systems & Tools” was the theme of the May meeting, hosted by Southco Manufacturing and Technology (Shanghai) Co., Ltd. in Shanghai. Vipin Suri, program director, led the council group in a discussion of eight topics:

**System challenges in manufacturing supply chain** covered the objectives of an SAP software implementation project, successful SAP implementations, the global template, the implementation approach, “go live” challenges, and master data challenges.

**High-value solutions for supply chain management** theorized that the continued downward pressure on IT budgets combined with the shifting dynamics of today’s supply chains has created an environment ideally suited to be addressed by on-demand service offerings. As well, on-demand service solutions for supply chain management offer the unique combination of tangible benefits to IT and the business.

**Leveraging internet technology** explored the notions that the internet should be used to connect customers with suppliers and employees, there is a need to use web-based interfaces in order to connect various web pages, and companies who started with intranets are gradually moving to the internet due to improved security. Additionally, from a suppliers’ point of view, leveraging technology allows easy access to quality information, accounts payable, and other selective information. It was also stated that many customers run different systems and that standards such as those available for electronic data interchange (EDI) need to be in place to allow full leverage of internet technology.

**Global economic outlook: economic trends—the impact of key challenges on supply chain in the next 10 years** highlighted that emerging economies, especially in Asia, hold the key to positive global growth in 2009. The Present Situation and Expectations Indexes suggest that the worst times may soon be behind us. However, 5.7 million jobs have been lost in the United States since December 2007, and more layoffs may still come despite a slight leveling off of losses.

**Driving innovation in supply chain solutions** covered end-to-end e-Procurement (a framework for gaining procurement results); supplier-enabled hubs; the supplier portal and making supplier processes and interactions consistent, simple, and efficient; the payables and settlement process; the settlement hub model; and an illustration of client economic value for an outsourced accounts-payable solution.

**Business integration of multi-national corporations in China** explored the idea of Shanghai’s advantage as a regional international sourcing center, Shanghai’s current foreign investment status, the function and advantages of the Shanghai International Sourcing Promotion Center (ISPC), and international shipping centers and MNCs’ supply chains.

**Keeping tabs on contract and supplier management** examined how current industry and market conditions are driving increased needs to holistically manage the complete contract lifecycle on both the buy and sell sides. It was also noted that best-in-class firms are highly leveraging key technologies, systems, and tools; numerous CLM solutions are available to provide the foundation for improved enterprise performance; contract performance management is a key element of CLM; firms with formal supplier management programs are realizing across-the-board performance improvements; and sourcing application suites can be leveraged for improved supplier performance management.

**Inventory management** investigated the challenges of delivering quality on time while balancing efficiency and responsiveness, and other inventory initiatives.

**Next Meeting** May 19-20, 2010, Hong Kong/Shanghai

To find out more about this council, contact Alice Lee, council manager, at [alice.lee@conference-board.org](mailto:alice.lee@conference-board.org) or (852) 2804 1029.

THE CONFERENCE BOARD **COUNCIL NEWS**

## Council Membership in The Conference Board

For more than 80 years, The Conference Board Council Program has provided senior executives with the business world's preeminent cross-industry peer network, where the emphasis is on dialogue, interaction, practical learning, and actionable ideas.

Council membership through The Conference Board deepens your own professional practice and enables you to tap into the expertise of your colleagues in Asia-Pacific. Council membership is an efficient and cost-effective way to identify current issues, learn how your peers are dealing with them, benchmark your organization against others in the region, and get the leading-edge thinking that will keep you up to speed on all the issues that matter to your company.

Additional benefits of Council membership include the ability to survey members of The Conference Board on issues of high interest. In recent months Asia-Pacific Councils have led new research surveys on issues as topical and diverse as building sustainable brands in Asia, functional excellence and shared business services methodologies and tools, supply excellence and associated management practices, and women's development and advancement in Asia. Council members are afforded exclusive briefings to preview the initial results shortly after the research surveys close, and attend dedicated webcasts where the findings are discussed in an interactive format with invited members of The Conference Board, guests, and presenters.

**To inquire about the The Conference Board Asia-Pacific Council Program and associated research surveys, briefings, and webcasts, contact Abi Hashani, regional director, Asia-Pacific at [abi.hashani@conference-board.org](mailto:abi.hashani@conference-board.org) or (852) 2511 1630.**

## THE CONFERENCE BOARD **WEBCASTS**

### Complimentary Members' Webcasts

The Conference Board's webcasts have been designed specifically to bring in-demand topics to executives operating in Asia-Pacific. The webcasts listed below have been held as a complimentary service for Asia-Pacific Associate Members of The Conference Board.

#### The Risks and Rewards of Third Party Ethics Programs

In a globalized economy companies are becoming ever more reliant on third party relationships to help meet business objectives. Outsourced suppliers of goods and services, temporary workers, and contractors can reduce costs, while agents and distributors can reduce barriers to entry in other countries. However, increasingly companies are concerned about the legal, reputational, environmental, economic, and financial risks that such arrangements may bring. Participants at this July webcast heard the findings of a recent survey conducted by The Conference Board Asia-Pacific Risk Management Council, and gained a clearer picture of practices regarding third party compliance and ethics standards in the region.

#### The Corporate Sustainability Agenda

What are the strategic issues faced by executives in charge of corporate social responsibility and sustainability (CCS) in Asia-Pacific? This July webcast reviewed the findings of a recent survey, conducted by The Conference Board Asia-Pacific Corporate Citizenship and Sustainability Council, on the challenges and opportunities for executives in the region. Participants discussed C-level support of CCS efforts, aligning CCS strategy with overall corporate strategy, promoting the CCS agenda and measuring its progress, and the regulatory environment related to CCS.

To find out more about Members' Webcasts, please contact Abi Hashani, regional director, Asia-Pacific at [abi.hashani@conference-board.org](mailto:abi.hashani@conference-board.org) or (852) 2511 1630.

### The Conference Board KnowEdge™ Series

#### Emerging Economies: Will They Still Be the Engines of Growth?

Conventional wisdom suggests that Asia will lead the global economy out of recession. But will that be the reality? Can consumer markets in emerging economies come to the world economy's rescue? Where should foreign direct investors focus their strategies, and will their business models change? For answers to these questions and more, participants joined The Conference Board's internationally renowned Chief Economist Bart van Ark in this KnowEdge™ Series two-part web program in July. Van Ark was joined by Bert DeGraeve, CEO of Bekaert; Barry P. Bosworth, senior fellow at the Brookings Institution; and Chris Delaney, president, emerging markets, Campbell Soup Company to explore the effect of the downturn on the economies of fast-growth nations including China, India, Brazil, and Russia.

Existing KnowEdge™ Series programs are also available as archive recordings to executives of pre-registered member companies.

For more information on The Conference Board KnowEdge™ Series service, please contact Salome Woo, associate services director, Asia-Pacific at [salome.woo@conference-board.org](mailto:salome.woo@conference-board.org) or call (852) 2537 3212.



THE CONFERENCE BOARD **RESEARCH WORKING GROUPS**

## New Asia-Pacific Research Working Group Focuses on Engaging Employees in Key Roles

In the current economic climate, organizations must do more with fewer resources and fewer employees. As a result, organizations need to strengthen and broaden their understanding of both the concept of employee engagement and what motivates their unique workforce.

With this in mind, The Conference Board is continuing its commitment to examine the dynamics of employee engagement and business performance around the world with a new Research Working Group on **Engaging Critical Talent in Asia-Pacific**.

This group will help assess the drivers of employee engagement for key employees. It will integrate that knowledge with member companies' current employee value propositions (EVPs), and it will provide an opportunity for member companies to determine whether their EVP aligns with the needs of their critical talent, and whether that alignment results in motivated employees who can contribute to the business' success.

Members of this group will work alongside global experts in the field of EVP and employment engagement (EE) to:

- assess EVPs through management interviews and staff communication analysis;
- identify critical roles in the workforce using a step-by-step process;
- recruit key employees to participate in an online survey combining elements of EE dynamics and EVP; and
- determine how to improve alignment between the EVP and the expectations of critical talent.

Commencing in Q1 2010, the group will meet in person three times as well as two or three times online, over nine months. Specialists from The Conference Board will produce specific research for the group in between these meetings.

**For more information on the Research Working Groups on engaging your critical talent, please contact Nicholas Sutcliffe, executive director, Asia-Pacific at [nick.sutcliffe@conference-board.org](mailto:nick.sutcliffe@conference-board.org) or (852) 2804 1000.**

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## THE CONFERENCE BOARD RECENT RESEARCH

### RESEARCH REPORTS

#### Frameworks for Integrating Citizenship and Sustainability into Business Strategies and Operations

Research Report 1446, 2009

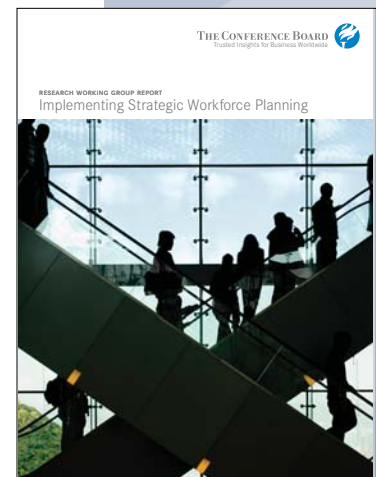
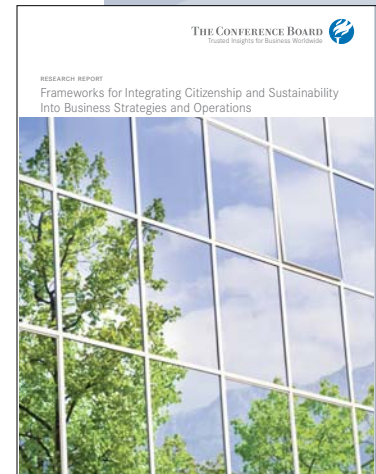
Many companies are devoting more attention and resources to addressing citizenship and sustainability in their operations, products, and services—and several of these companies have realized valuable benefits from this new direction. But which processes should corporations adopt to realize these advantages? *Frameworks for Integrating Citizenship and Sustainability into Business Strategies and Operations* explores the approaches of 11 North American companies with well-established citizenship and sustainability practices. This report offers extensive details on the organizational structures these companies have established, the values and goals that guide their efforts, the steps they have taken to integrate citizenship and sustainability into strategic planning and goal setting, and the programs they employ to spread the influence of their citizenship efforts throughout their organizations.

#### Implementing Strategic Workforce Planning

Research Report 1444, 2009

This report highlights the implementation process for strategic workforce planning (SWP)—from simply connecting business strategy and HR strategy to having an input in business strategy that informs executive decision making. It presents findings from The Conference Board Research Working Group on Implementing Strategic Workforce Planning, which focused on common challenges companies face when initiating SWP. In addition to addressing the working group's most pressing concerns, the research includes two frameworks: one on a maturity model for SWP, and one on necessary skills and competencies for human resources. Completing the report are four full-length case studies of companies that have successfully implemented SWP, which highlight specific workforce challenges and dynamics that SWP must address.

Research reports can be downloaded from [www.conference-board.org](http://www.conference-board.org)





## Upcoming Events

### Corporate Leadership

#### Councils

- Asia-Pacific Corporate Citizenship and Sustainability Council  
November 3, 2009, Singapore
- Asia-Pacific Communication and Marketing Council  
November 4-5, 2009, Singapore
- Asia-Pacific Chief Legal Officers' Council  
Date and venue TBD

#### Webcast

- Building Sustainable Brands in Asia: Corporate Best Practices  
December 2009

### High-Performing Organizations

#### Councils

- Asia-Pacific Chief Information Officers Council  
November 24-25, 2009, Manila
- Asia-Pacific Functional Excellence and Shared Business Services Council  
November 25-26, 2009, Manila
- Asia-Pacific Chief Financial Officers Council  
April 8-9, 2010, Singapore/Sydney
- Asia-Pacific Supply Chain Council  
May 19-20, 2010, Hong Kong/Shanghai

#### Briefings

- Excellence in Supply Chain Management  
November 30, 2009, Hong Kong
- Methodology & Tools for Excellence in Corporate Functions and Shared Business Services  
December 1, 2009, Hong Kong

#### Webcasts

- Excellence in Supply Chain Management  
January 13, 2010, 11:30 am (Hong Kong Time)
- Methodology & Tools for Excellence in Corporate Functions and Shared Business Services  
January 20, 2010, 11:30 am (Hong Kong Time)

### Human Capital

#### Councils

- Asia-Pacific Human Resources Council  
November 4-6, 2009, Shanghai  
May 18-20, 2010, Singapore
- Asia-Pacific Talent, Leadership Development & Operational Effectiveness Council  
November 11-12, 2009, Singapore  
May 5-6, 2010, Hong Kong
- Asia-Pacific Compensation & Benefits Council  
November 18-19, 2009, Hong Kong
- China Human Resources Council  
November 18-20, 2009, Shanghai  
March 24-26, 2010, Shanghai
- Asia-Pacific Diversity & Work-Life Strategy Council  
April 19-21, 2010, Singapore

#### Briefings

- Teams at the Top  
November 4, 2009, Shanghai

#### Webcast

- Women's Development and Advancement in Asia - a 2009 Perspective  
December 16, 2009, 2 pm (Hong Kong Time)

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## To Find Out More ...

For more information on any of these events, please check the appropriate box, type or attach your business card, and fax this form to +852 2869 1403

Name \_\_\_\_\_

Position \_\_\_\_\_

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