The Conference Board
Trusted Insights for Business Worldwide

BoardAsia

Quarter Four 2009

A NEWSLETTER FOR MEMBERS OF THE CONFERENCE BOARD IN ASIA

Inside

New Economics Consultative Group to Launch in Asia-Pacific

As the recovery begins, economic stress, volatility, complexity, and confusion are becoming the "new normal." More than ever before, macro factors are exerting significant influence on business models, market behavior, and regulatory characteristics. To meet this challenge, The Conference Board Asia-Pacific Economics Consultative Group (A-P ECG) will deliver a big-picture perspective on the key issues shaping the different economies and overall business environment in the Asia-Pacific region.

This perspective will be shared through customized presentation materials, expert dialog, fact-based research, webcasts, and access to The Conference Board's unique data resources on China, Asia-Pacific, and the rest of the world.

Participating companies will be able to:

- understand and anticipate economic and policy forces impacting business in the region;
- gain detailed insight into the economic and political dynamics driving China and its influence on markets; and
- link macroeconomic drivers to business planning and establish a robust internal strategic dialogue.

The group will engage CEOs and board members of large local and multinational organizations in facilitated dialogue supplemented with background analysis. Council-style meetings will be held for nominated practitioners in participating organizations to explore trends, developments, opportunities, and risks at a more technical level, and to assess how economic events could impact business strategy going forward.

To find out more about the Asia-Pacific Economics Consultative Group, please contact Nicholas Sutcliffe at nick.sutcliffe@conference-board.org or (852) 2537 3730.

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Diversity & Work-Life Strategy Council

The council's October meeting was hosted by EMC in Hong Kong. Program director Andrew N. Bell gave a pre-meeting briefing on the initial results of the recent survey on "Women's Development and Advancement in Asia."

The first session explored work-life issues and the balance between family, business, and self. Members then discussed in-depth how to effectively utilize and leverage networks in the context of the Asia-Pacific region. Guest speaker Chong Chan-Yau, MBE, director of student development, The University of Hong Kong, shared his inspirational experiences living with blindness since age three. Chong advised Council members on how to support people with disabilities in a session entitled, "Disability Policies and Practices in Education and the Workplace." The group then continued the discussion on the women's development survey before moving on to a session entitled, "Work-life in Asia – Balance, Integration, or Irrelevant?" Guest speaker Su-Mei Thompson, executive director, The Women's Foundation, and her team then shared research, studies, and initiatives on the "Status of Women and Girls in Hong Kong" and on "Closing the Gender Gap in Hong Kong."

Next Meeting April 19-21, 2010, Singapore

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Human Resources Council

The November meeting of the Asia-Pacific Human Resources Council was held in Shanghai and hosted by IBM. Human resource's role in a globalized world, the challenges and opportunities China presents, and the effect of the financial crisis on human resources were the themes. Andrew N. Bell, program director, The Conference Board, had given a dinner briefing entitled "Teams at the Top" the prior evening, and welcomed new members to the council. The following issues were among those identified as particularly important to member companies:

- Capability building
- Increase in engagement "scores"
- Corporate values
- Global expansion
- Motivation in China
- Managing resistance to change
- SAP global roll-out
- Expectations of young staff
- Safety leadership

Economist Bill Adams from The Conference Board China Center for Economics and Business gave a macroeconomic update, detailed insights and analysis into the environment in China, and an overview on the China Center's developing research into talent management challenges in China. The final session featured a panel discussion on development, challenges, and opportunities for the HR profession in China, which covered initial attraction to the profession, engagement on an ongoing basis, and ambitions for the future.

Next Meeting May 18-20, 2010, Singapore

To find out more about this council, please contact Caroline Sy, council coordinator, at caroline.sy@conference-board.org or (852) 2804 1020.

William (Bill) Adams

Economist, The Conference Board China Center for Economics and Business

Bill Adams' specialties include Chinese economic reforms and macroeconomic issues as well as international capital economics. His current projects for The Conference Board include developing economic indicators for China, researching Chinese consumer markets, and researching measures of financial stability in China. Adams received his BA from Harvard University and MA from the Johns Hopkins School of Advanced International Studies. Previously, Adams held positions in professional services firms, was a policy analyst intern at the U.S. Department of the Treasury, and was a research assistant at the Carnegie Endowment for International Peace.

THE CONFERENCE BOARD **COUNCIL NEWS**

China Human Resources Council

November's meeting of the China Human Resources Council, "Staffing Challenge—Recruiting from the Best in China and the Best in the World," was hosted by Johnson & Johnson in Shanghai. The meeting was led and facilitated by Goh Thee Woon, program director, The Conference Board.

After an introduction of Goh as the new program director, the meeting proceeded with a round-robin of self-introductions and topics of interest. The group then heard a presentation from representatives of Johnson & Johnson, two-time winner of the Best Employer in Asia award. The company's "teachable points" included the importance of focusing on the business strategy and priorities, taking leadership in people management, aligning execution with policies and processes, and ensuring quality in the HR operation.

Guest speaker Brian Fenerty, director, Tal-OS Asia, then introduced three cases of "recruiting the best" in China and the rest of the world. The focus was on getting back to basics, such as keeping end objectives in mind during talent recruitment. The group then discussed the topic of growing local talent, and touched on aspects of people development programs including internships, management training, and succession management.

Localization was the next topic. Members and guests shared their individual company practices and thinking in implementing their localization policies. Common highlights included the need for flexibility in financial support with regard to changes in housing or transport terms, the need for sustainable educational support for expatriates, the specific concerns of Taiwanese expatriates, and managing foreigners who are locally hired in China.

The group then turned their attention to the topic of moving offices in China. Key takeaways included the necessity of effective employee communication and management of employee perceptions, and forward planning of the environment, amenities, and infrastructure in the new location. The majority of the group was not in favor of a "generous" level of travel allowances or housing support, and it was considered that policies and practices from parent companies may often not be relevant in China.

After a straw poll on 2010 salary increments, the group heard from Dennis Yang, consultant, The Conference Board China Center for Business and Economics, who presented research findings on the rising wage scenario in China. Highlights included: a long term trend of SOEs and local firms offering competitive wages; manufacturing wage levels remaining far below other advanced economies in Asia; steady future wage growth for unskilled labor but only limited wage growth for skilled labor; the central government's efforts to mitigate the impact of the economic crisis on the labor market; and concerns for HR beyond rising wages, including employment law and the rising power of labor unions.

Next Meeting March 17-19, 2010, Wuhan

To find out more about this council, please contact Caroline Sy, council coordinator, at caroline.sy@conference-board.org or (852) 2804 1020.

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Talent, Leadership Development & Organization Effectiveness Council

Deutsche Bank hosted the November 2009 meeting in Singapore, which focused on "Developing Professional Expertise in Asia." David Learmond, senior advisor—global human capital, The Conference Board, facilitated the meeting.

The group commenced with a roundtable where members reported on current issues and effects of the downturn and addressed members' business questions. It was noted that although business confidence is on the rise in the region, for many companies this has yet to translate into a return to growth.

Guest speaker Dr. Mary Young, principal researcher, human capital, The Conference Board, then presented highlights of her published research and a preview of her latest research, "Strategic Workforce Planning (SWP) in Global Organizations." The discussion centered on how SWP was increasingly seen as the link between business strategy and HR strategy. Members were also showing interest in connecting SWP to their enterprise risk management processes to help determine human capital risks. Some are extending the scope beyond their own employees to include suppliers and partners. The discussion also touched on the skills required to manage SWP, and how HSBC is approaching SWP in the context of their business strategy in China.

A dinner briefing on why there is a need for more Asian women leaders then followed. The briefing presented the case for a shift in the approach to developing women leaders.

The next morning, a roundtable session explored the topic of developing professional expertise in Asia. Specific takeaways included: DHL's experience with a "bricks and mortar" logistics management university in Shanghai; Unilever's analysis of four approaches to building professional skills and their own "academy" strategy to create competency sets, career models, and training programs; and a general consensus that HR skills must improve to match business challenges.

Next Meeting May 5-6, 2010, Hong Kong

To find out more about this council, please contact Caroline Sy, council coordinator, at caroline.sy@conference-board.org or (852) 2804 1020.

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Compensation and Benefits Council

November's meeting took place in Hong Kong, and was led by program director Soh Meng Chee. Following an update on The Conference Board activities from Alice Lee, council manager, and Salome Woo, associate services director, the meeting commenced with a roundtable on recent challenges and concerns. Discussion points included risk management related to performance and bonus pools, rightsizing operations, localization (particularly in China), new approaches in long term incentives plans, employee retention, and pension and medical benefits.

The group then turned their attention to the topic of reward systems. Most current practices are tied to the quality of results and the financial matrix, and are financially driven. Reward systems do vary depending on staff levels and most members operate a separate incentive plan for sales personnel. Non-financial elements are also being introduced.

Emerging markets was the topic for the next session, with the question being, "Is China still considered part of the emerging markets?" Members agreed that labor costs are still low especially in second or third tier cities, but that reliable survey data on pay levels was hard to come by, with salaries for similar positions varying by as much as 15 to 20 percent. Staff retention, housing, and pension plans remain issues of concern.

Left to right: **Randy Christian,** Director, Asia Pacific Total Rewards, Johnson & Johnson; **Christy Xiang,** AP Compensation and Benefits Manager, Caterpillar; **Tan Sen Lai,** Senior Compensation Consultant, Asia, Shell Eastern Petroleum (Pte) Ltd; **Greg Kiddle,** Head of Remuneration, AMP Capital Investors; **Soh Meng Chee,** Program Director, The Conference Board; **Wim De Paepe,** Associate Director, Compensation & Benefits (Asia), Procter & Gamble Asia Pte Ltd.; **Duncan Micallef,** C&B Director Asia, Middle East & Africa, PepsiCo; and **Sahas Sankaran,** Director C&B, Asia Pacific, Kraft Foods, at the November meeting.

Bonus programs was the next topic, and the group heard how AMP Capital Investors Ltd. is facing challenges in managing bonus payments from government requirements, tax legislation, and shareholder power.

Guest speaker Jeffrey Tang, executive compensation and rewards leader, Towers Perrin, then shared with attendees some of the work undertaken by Towers Perrin in the region, in the areas of total reward redesign and retention of key staff.

The group then discussed global mobility. Members do operate comprehensive global mobility programs. Challenges arise in managing large pools of expatriates in the region, and in the need to adapt programs—including intra-region mobility programs—to manage cost levels.

Next Meeting April 21-22, 2010, Singapore

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Corporate Citizenship and Sustainability Council

The Asia-Pacific Corporate Citizenship and Sustainability Council met in November in Singapore. After a discussion of the challenges members are facing, Ronald E. Berenbeim, principal researcher, business ethics, The Conference Board presented the first session, entitled, "Sustainability Challenges: Finding a Delicate Balance – Third Party Ethics Program Requirements." He asserted that company partners in global markets are not always mindful or responsive to corporate policies that were created in response to mandates to implement ethics and compliance programs.

In the second session, Christine Hess, program director, The Conference Board, gave a presentation on "Integrating Citizenship and Sustainability into Business Strategies and Operations." Discussion points included:

- The main corporate social responsibility (CSR) best practice is to integrate CSR strategies into the way we do business, and most members agreed. For example: a producer of refined oils in India fortified the oils to increase their nutritional value.
- Most members and guests at the meeting are part of the Global Reporting Initiative (GRI) but for some it is a box-ticking exercise.
- Investors must be convinced how sustainability contributes, beyond brand equity, to the business long term.
- CSR is often under corporate communications, however having a distinct CSR department can be more effective.
- As a corporate strategy, CSR gives a license to operate and opportunity to be an employer of choice.
- A CSR report can be integral to annual reports, using societal, energy, and industry initiatives as a roadmap.
- Coordinating the external supply chain and ensuring CSR compliance is a challenge.
- Long-term goals and long-term thinking can lead to success.

The group then explored the issue of sustainability as it relates to governance. Senior executives are more focused on designing sustainable business strategies but need a framework on institutionalizing and mainstreaming their approaches, and communicating them to institutional investors. Key points included:

- How can the A-P region best contribute given the distance from headquarter challenges inherent in multinational corporations?
- Sustainability initiatives such as carbon offsetting must balance with bottom-line pressures to meet shareholder needs.
- Execution of CSR may be lacking despite the CEO's willingness to implement.
- CSR can be part of a thought leadership program and can boost competitiveness.
- Serious integration of CSR may include a CEO-authored sustainability report and a prioritized responsibility to: patients and customers; employees; society and the environment; and shareholders.
- Governance priorities may include creating a board committee for CSR and a corporate CSR chair.
- Most attendees preferred a distinct CSR function and asserted that CSR is not a shareholder issue.
- Working to gain initial success and then building on it is the way to promote CSR through an organization.
- Best practices of CSR include transparency, accountability, and reporting.

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Communication and Marketing Council

The November meeting took place in Singapore. Introductions made by program director Christine Hess, The Conference Board, were followed by a roundtable, which began with a discussion on "Balancing Local and Global Communications." The roundtable session focused on regional communication strategies, local initiatives, and coordinating with global programs, and featured particular insights on:

- regional communication strategies that align with and support the global strategy;
- coordinating global communication efforts in a matrix organization; and
- doing more with less to implement important local programs.

The next session was entitled, "Corporate Communication, Social Media, and the Internet in 2010: Minimizing Risk and Maximizing Impact." The main question posed was how can executives in Asia develop corporate communication strategies that:

- build thought leadership using the web for issues management;
- harness the power of influencers through blogging;
- shape corporate reputation online;
- achieve results through evaluation and bench marketing;
- improve organizational awareness through social media;
- leverage Twitter, LinkedIn, Facebook, and other communication channels; and
- create online communities of stakeholders.

In the third session, the group shared ideas on "Communication Strategies for a 24-hour Media World." This session covered the transformative power of the internet, the radical change of business models, and the definition of news and how news can break globally throughout a 24-hour cycle.

A discussion of "Insights on Local Community Engagement" followed, and the consensus was that well-executed community programs can be greatly beneficial to both corporate reputation and stakeholder engagement. Finally, the group discussed "Community and Non-governmental Organization (NGO) Engagement" and shared thoughts on how consumers, suppliers, and partners are all more aware of connectivity.

Next Meeting May 12-13, 2010, Shanghai

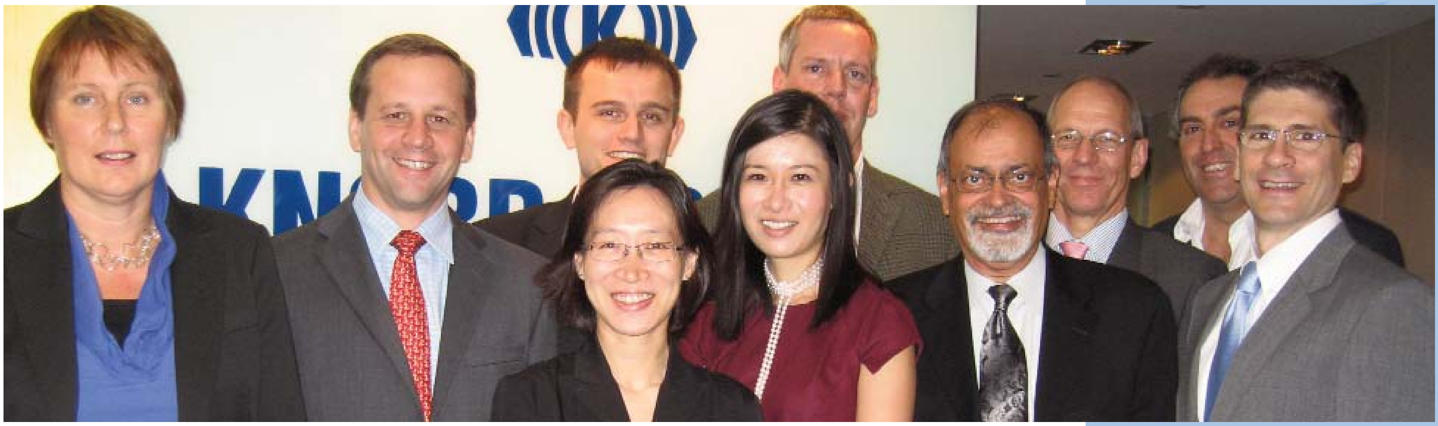
To find out more about this council, please contact Adrian Lui, council coordinator, at adrian.lui@conference-board.org or (852) 2804 2776.

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Chief Financial Officers Council

"Accelerating Growth and Profitability in Asia-Pacific" was the theme of the October meeting hosted by Knorr-Bremse in Hong Kong.

Program director Vipin Suri facilitated the meeting. Following an introduction and overview of Knorr-Bremse's operations and business model, the group moved into the first agenda topic entitled, "Accelerating growth and profitability in Asia-Pacific—risks and opportunities." Although it was noted that there is room to grow the existing business, there was consensus on the need for an increased focus on capital management, cash flow, and cost control as well as management of currency devaluation risk. Localization of global brands to anticipate consumer needs in the region and the importance of developing investment skill sets in Asia-Pacific were also touched upon.



Left to right – Back: **Jerome Debreu,** Vice President, Finance, Knorr-Bremse Asia-Pacific (Holding) Limited; **Neil Curry,** VP & Controller Asia Pacific, Allergan Inc.; **Michael Boyden,** Director of Business Development, Asia-Pacific, The Conference Board; and **Henry Capra,** Chief Financial Officer, AMP Capital Investors Limited.

Left to right – Front: **Ineke Boelen,** SVP - Finance Director, Aegon Asia Pacific; **Terry Sabol,** VP Finance & Strategy, Asia Pacific, Kraft Foods Asia Pacific Services Pte Ltd; **Alice Lee,** Council Manager, The Conference Board; **Jie Lin,** Head of Business Support, Asia, Thomson Reuters; **Vipin Suri,** Program Director, The Conference Board; and **John Sigalos,** CFO, PepsiCo Inc.

"Building an agile finance function—alternative approaches to sourcing for operational excellence" was the next topic. Its premise was based on two points: first, the need for senior financial executives to manage their functions more efficiently; and second, that sourcing decisions for financial operations must be made in the context of the business as a whole. The discussion covered work hierarchies, the segmentation of financial services, strategic leveraging options, and sourcing approaches—including insourcing, co-sourcing, offshoring, and outsourcing. In summary, it was noted that some organizations have never comprehensively benchmarked their financial service areas, and that employing various sourcing approaches can help streamline financial operations—reducing costs and achieving best-in-class performance.

A discussion on "The reflective practitioner—knowledge creation by practitioner-scholars in Asia" followed, which featured investigation into the personality of scholar-practitioners, the knowledge they are creating, and two types of problems: "tame" problems and the solutions taught at business school; and "wicked" problems and their available solutions.

The final session looked at "Compliance and cultural differences in interpreting financial decisions" including discussion points on the comparison of Japanese culture and that of Hong Kong, the impact of globalization on international transactions, defining cultures by values and behaviors regionally, models of major culture differences, and cross-cultural communication.

Next Meeting April 14-15, 2010, Singapore

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Chief Legal Officers Council

The October meeting of the Asia-Pacific Chief Legal Officers Council was held in Singapore, and entitled, "Recruitment, Management, and Retention of Personnel." Program director David Leng welcomed the participants and the group discussed the following topics:

The management of a regional law department Some participants have been facing travel restrictions, which increase the challenges of developing geographically dispersed individuals into a cohesive legal team. Employee turnover is also an issue. To address distance difficulties and employee engagement issues, companies can nominate individual lawyers as regional specialists on specific topics.

Selection of legal headquarters and other recruitment tools Some companies rely on external recruitment firms, others on informal networks and referrals. In certain countries, like China, headhunting firms have a mixed record of success in screening candidates. Keys to finding the right candidate were discussed.

The internal process for recruitment: multi-functional coordination, budgeting, and strategic resource planning The consensus is that legal budgets will remain flat for the next year and reductions in areas such as travel and training will not change any time soon. But while legal budgets are tight, there is also recognition that hiring for critical positions is still necessary.

Approaches to staff retention: compensation schemes, training programs, and job changes Approaches to retain valued employees include training programs, retention bonuses, and restricted stock option plans. It was noted in this session that job rotation has not been sufficiently considered as a retention tool, although succession planning does cite transfers as a means to build employee exposure. It is important to keep in mind that younger employees are considered less inclined to develop institutional loyalty, and thus more likely to job hop.

Doing more with less or doing less with less—adjusting work priorities in view of resource constraints Law departments can do more with less through effective training programs on legal issues for non-legal personnel, which enables the legal function to delegate the negotiation of standard agreements. Undertaking online legal research to track relevant developments in a particular jurisdiction can reduce outside fees, relieving resource constraints.

Next Meeting April 19-21, 2010, Shanghai

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific CIO Council

The council met in November in a joint meeting with the Asia-Pacific Functional Excellence & Shared Business Services Council, hosted by Shell Shared Services in Manila. The theme of the meeting was "Corporate Governance of IT." Program director Vipin Suri facilitated the meeting and led the group discussion though four major topics.

The first, "IT Governance: Redesigning the Board's Role," highlighted that effective oversight of the information/communications/technology (ICT) function in many large businesses and government agencies has been ineffective, with potentially serious financial and reputational consequences. The group discussed the desirability of a shift from an ICT management to a systemic governance mindset—requiring a major change in corporate thinking and a firm grasp of the systemic governance framework.

The second session looked at the potential impact of a failure of IT governance on organizations. The group examined the assertion that good IT governance is based on assigning decision rights and creating an accountability framework. Members then discussed the key elements of successful governance, the constituents of an IT infrastructure governance model, a methodology for initiatives, issues relating to system failures, and contributing success factors.

A session on "The Distinction between IT Governance and IT Management" explained that governance of IT is the system by which an organization's current and future use of IT is directed and controlled. The model for IT governance has three key tasks: evaluate, direct, and monitor. The management of IT, on the other hand, controls the organization's planning, implementation, and operational use of IT.

The final session covered "Master Data Management (MDM) Governance," and commenced with an overview of data governance and definitions of master data components and management. Governance priorities were set as, first, to leverage existing structures as far as possible; second, to govern "top to bottom," and "side to side" to ensure full coverage; and third, to ensure data ownership is clearly defined.

Left to right - **Vipin Suri**, Program Director, The Conference Board; **Kee Teek Hong**, General Manager, Shared Services Center, Chevron Holdings Inc.; **Lau Kin Pong**, Managing Director, BASF Asia Pacific Service Centre Sdn Bhd; **Stefan Neff**, Director Information Technology, Asia, Procter & Gamble (Asia) Pte Ltd; **Damian O' Reilly**, Executive Director, APFSS, Bristol-Myers Squibb Australia Pty Ltd; and **Barry Marshall**, Senior Country Operations Officer, JP Morgan Chase Bank N.A.

Left to right - **Bill Pfluger**, General Manager, Buenos Aires SSC (former), Chevron Holdings Inc.; **Christian Fischer**, Vice President IT, Knorr-Bremse Asia-Pacific (Holding) Limited; **Douglas Webster**, Vice President, IT Infrastructure, Shell Information Technology International Sdn Bhd; **Elaine Kunkle**, General Manager, Henkel Asia Pacific Service Centre; **Noel Paraso**, General Manager, Shell Shared Services (Asia) B.V.; **Vipin Suri**, Program Director, The Conference Board; and **Kee Teek Hong**, General Manager, Shared Services Center, Chevron Holdings Inc.

Next Meeting May 11-12, 2010, Kuala Lumpur

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Functional Excellence & Shared Business Services Council

Shell Shared Services hosted the November meeting in Manila. The meeting, "Customer Relationships Management," was held jointly with the Asia-Pacific CIO Council, and led by program director Vipin Suri.

After an overview of Shell's Shared Services operation in Manila and an update on the latest from The Conference Board, the first topic, "IT and Shared Services Interactions," was presented. The discussion began with analysis of the technological challenges and issues of bringing IT into a common framework. The group then focused on the beneficial results of integration between IT and shared services, including a single strategy plan, cost savings and platform standardization, and a holistic solution to business units.

The group then moved on to an analysis of the components of "The Customer Relationship Framework." The components were defined in order as: service level agreements, service management, service level catalogue, performance reporting, request management, relationship management, incident tracking and governance objectives, relationship and communication management, and customer feedback.

"The Value Proposition of Shared Business Services (SBS)" was the next topic. The group broke down the components of SBS into four key areas: business drivers, strategic intent, sources of value creation, and the role of enterprise resource planning (ERP). There was a consensus that companies view shared services as a key means to enable functional transformation, with benefits like cost reductions and enhanced control over functional operations.

The next topic, "Customer Relationships – Essentials in a Service Environment" explored the fundamentals of customer satisfaction, customer identification, customer satisfaction measurement, and essential management practices for customer relationships management. It was noted that "users" and "payers" view the services they receive in different lights, and that feedback from the two groups should be treated separately and not combined or averaged together.

The focus on customers continued with a discussion on best practices in customer relationship management. Simple, person-to-person relationships managed by the service delivery manager are preferable to creating separate "customer account teams," which incur costs yet are not specifically desired by customers.

The final session, "Creating a Service Culture," summarized the importance of relationships: hiring the right people, making expectations clear, training, and instilling a service mindset. But the multicultural nature of Asia remains a challenge to relationship management.

Left to right - Front: **Vipin Suri**, Program Director, The Conference Board; **Lau Kin Pong**, Managing Director, BASF Asia Pacific Service Centre Sdn Bhd; **Noel Paraso**, General Manager, Shell Shared Services (Asia) B.V.; **Elaine Kunkle**, General Manager, Henkel Asia Pacific Service Centre; **Damian O' Reilly**, Executive Director, APFSS, Bristol-Myers Squibb Australia Pty Ltd; and **Kee Teek Hong**, General Manager, Shared Services Center, Chevron Holdings Inc.

Left to right - Back: **Christian Fischer**, Vice President IT, Knorr-Bremse Asia-Pacific (Holding) Limited; **Aberti Sarmiento**, FO DS1 / SERP Implementation Co-ordination Lead - East and Chennai, Shell Shared Services (Asia) B.V.; **Barry Marshall**, Senior Country Operations Officer, JP Morgan Chase Bank N.A.; **Douglas Webster**, Vice President, IT Infrastructure, Shell Information Technology International Sdn Bhd; **Bill Pfluger**, General Manager, Buenos Aires SSC (former), Chevron Holdings Inc.; and **Stefan Neff**, Director Information Technology, Asia, Procter & Gamble (Asia) Pte Ltd.

Next Meeting May 12-13, 2010, Kuala Lumpur

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

THE CONFERENCE BOARD **COUNCIL NEWS**

Asia-Pacific Supply Chain Council

The October meeting on "Supply Chain Benchmarking" was hosted by Esquel in Penang. After introductions and an overview of Esquel's business operations, program director Vipin Suri led the moderated discussion.

The session on "Benchmarking Essentials" noted that benchmarking has become common practice in most organizations as a way to stay competitive. Supply chain benchmarking, however, is rare. This session looked at specific definitions for "results," "best practices," and "common mistakes" in the context of supply chain benchmarking, as well as key supply chain metrics and benchmarking methodology and process. The main conclusion was that supply chain performance is a key competitiveness factor and supply chain operations should be constantly reviewed through benchmarking tests to identify weaknesses.

"Supply Chain Benchmarking in Asia-Pacific" discussed factors specific to operations in the region, including the question of ownership of the benchmarking process and poor access to data. There was a consensus that a common process and methodology should be developed before benchmarking begins. Additionally, participation in external organizations can yield access to information, allowing for triangulated data rather than single source data, and promoting sharing and value creation.

The group then moved on to a session entitled, "Supply Chain Management Benchmarking Best Practices." The availability of benchmarking service providers and benchmarking studies was discussed along with sample benchmarking results. The group also studied best practice components, including best-in-class process differentiators and best-in-class supply chain management technology differentiators. The session concluded with a look at the principle of demand-driven supply chain excellence.

An assessment of "purchasing performance benchmarks" considered triangulation of measurements, analysis of price/cost competiveness, the question of productivity versus operational efficiency, and risk assessment and management of supplier financial health.

A discussion of "benchmarking pitfalls" was next, and consensus was reached on the top pitfalls: unclear goals, executive turnover, conflicting agendas, defensive or "blame" cultures, siloed use of metrics, incorrect metrics or scope, and issues with data access.

The session entitled, "Benchmarking Suppliers for Risk" looked specifically at scenarios where suppliers become financially unhealthy, with consequent business disruption. It was noted that many companies are aware of the severity of risks in the supply chain and have taken efforts to manage the risk. Such risk limitation measures may include supplier evaluation programs, supplier evaluation risk ratings, supplier evaluation models, and supplier risk measurement—particularly of second and third tier suppliers.

Finally, the council turned to a breakdown of quality control and assurance processes. Supplier qualification, the first component, includes assessment of both quality systems and social compliance. There was a special focus on the challenges of sourcing from China, including issues of cultural and communication gaps, social compliance, and technical or business sensitivities.

Next Meeting May 19-20, 2010, Shanghai

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

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 webcast below was held as a complimentary service for Asia-Pacific Associate Members of The Conference Board.

Women's Development and Advancement in Asia

The advantages of gender diversity in management teams are recognized by leading companies worldwide. However, what is the reality for women in Asia-Pacific? Where do women stand in management and leadership roles, and what specific practices, policies, and processes are companies using to develop female talent? Participants in this webcast heard the findings of the The Conference Board Asia-Pacific Diversity and Work-Life Strategy Council's latest survey on women's development and advancement in Asia.

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

The Conference Board KnowlEdge™ Series

Employee Engagement in Asia-Pacific: the Key to Retaining Critical Talent

Designed for members of The Conference Board in Asia-Pacific and India, this two-part series examined how the "war for talent" extends beyond competing effectively for future talent—it also requires a workplace culture that supports retaining and motivating employees who work in critical roles. Understanding the dynamics of employee engagement as it relates to those critical employees is vital to corporate survival and growth. The program featured ongoing research by The Conference Board on its globally applicable method of measuring drivers of engagement and how a company's employee value proposition can be linked to these important employee needs.

The program was hosted by John Gibbons, program director, employee engagement, The Conference Board; and Michael Norman, senior vice president, Sibson Consulting; with guest speaker, William Schumacher, VP, manufacturing and supply chain, Chevron Oronite Co. LLC.

The Conference Board Economics Watch™ – Asia Perspective

The Conference Board Economics Watch – Asia Perspective is a member service that provides a platform for strategic decision making by helping senior executives understand changing business and economic conditions in both the region and worldwide. The program looks at Asian economies in the context of the overall global economy, and is based on The Conference Board's extensive and highly respected economic indicators — including indicators for Japan and Korea as well as our experimental indicator for the Chinese economy.

The November edition of the program examined specifically the sustainability of the economic recovery in Asia-Pacific and India. It included analysis of the different economic drivers of recovery and whether Asia will continue to be a global leader. Finally the program compared Asia-Pacific and India with other emerging markets in Latin America and Eastern Europe. The program was hosted by The Conference Board's internationally renowned Chief Economist Bart van Ark.

For more information on *The Conference Board KnowlEdge Series* and *The Conference Board Economics Watch – Asia Perspective* webcasts please contact Salome Woo, associate services director, Asia-Pacific at salome.woo@conference-board.org or call (852) 2537 3212.

The Conference Board Asia-Pacific
22/F, Shun Ho Tower
24-30 Ice House Street, Central
Hong Kong, SAR
Tel + 852 2804 1000
Fax + 852 2869 1403
conference-board.org/ap.htm

The Conference Board China
7-2-72 Qijiayuan, 9 Jianwai Street
Beijing 100600 P.R. China
Tel +86 10 8532 4688
Fax +86 10 8532 5332
conference-board.cn

Conference Board India
6F Vaswani Mansions
120 Dinshaw Vacha Road
Churchgate, Mumbai 400 020
India
Tel + 91 9987548045
Tel + 91 9820300749
Fax + 91 2267464001
conference-board.org/worldwide/india.cfm

The Conference Board, Inc.
845 Third Avenue
New York, NY 10022-6679
United States
Tel + 212 759 0900
Fax + 212 980 7014
conference-board.org

The Conference Board Europe
Chaussée de La Hulpe 130, box 11
B-1000 Brussels
Belgium
Tel + 32 2 675 5405
Fax + 32 2 675 0395
conference-board.org/europe.htm

The Conference Board of Canada
255 Smyth Road
Ottawa, Ontario K1H 8M7
Canada
Tel + 613 526 3280
Fax + 613 526 4857
conferenceboard.ca

BoardASIA is published by The Conference Board, Inc.

THE CONFERENCE BOARD **RECENT RESEARCH**

RESEARCH REPORT

Strategic Workforce Planning in Global Organizations

Report Number 1457, January 2010

Many organizations struggle to determine exactly how to deploy strategic workforce planning (SWP) globally. Not only must SWP address different business and workforce challenges from one country to the next, but it often takes a few years to determine which aspects of SWP should be conducted at the country or business-unit level and which should be led at the enterprise level. The answer may not be the same for every company. This report describes how SWP adds value by helping global companies make better business decisions. It details what it takes for companies to advance from a fledgling effort to a more robust version of SWP. Included are observations about the impacts of the recent recession on SWP.

DIRECTOR NOTES

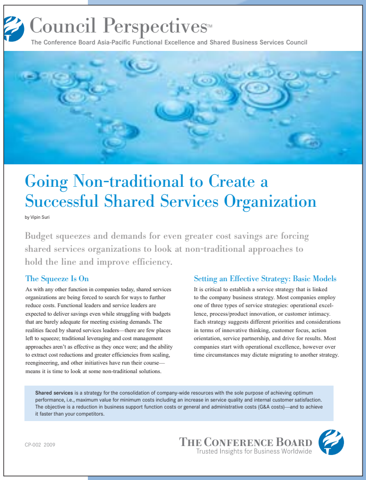
Directors' Duties and the Pursuit of Social Investments

Director Notes Number 2, January 2010

Sustainable entrepreneurship is strategic investing that generates both social progress and financial returns. Today, sustainable ventures are no longer at the fringe of the business world. An increasing number of companies are applying the tools of business and finance to socially relevant issues. This report examines the implications of sustainability on business corporations and on the body of law that governs them. Particular attention is given to the roles the board of directors may play in decisions about sustainable entrepreneurship.

COUNCIL PERSPECTIVES

Going Non-traditional to Create a Successful Shared Services Organization



Council Perspectives Number 2, December 2009

Budget squeezes and demands for even greater cost savings are forcing shared services organizations to look at non-traditional approaches to help hold the line and improve efficiency.

Research reports can be downloaded from www.conference-board.org

THE CONFERENCE BOARD
Trusted Insights for Business Worldwide

Upcoming Events

Corporate Leadership

Councils

- ☐ Asia-Pacific Chief Legal Officers' Council
  April 19-21, 2010, Shanghai
- ☐ Asia-Pacific Communication and Marketing Council
  May 12-13, 2010, Shanghai

Economy, Markets, & Value Creation

Webcast

- ☐ Economics Watch™ – Asia Perspective
  11:30 am (Hong Kong time) on:
  March 17, 2010
  May 19, 2010
  August 18, 2010

High-Performing Organizations

Councils

- ☐ Asia-Pacific Chief Financial Officers Council
  April 14-15, 2010, Singapore
- ☐ Asia-Pacific CIO Council
  May 11-12, 2010, Kuala Lumpur
- ☐ Asia-Pacific Functional Excellence and Shared Business Services Council
  May 12-13, 2010, Kuala Lumpur
- ☐ Asia-Pacific Supply Chain Council
  May 19-20, 2010, Shanghai

Human Capital

Councils

- ☐ China Human Resources Council
  March 17-19, 2010, Wuhan
- ☐ Asia-Pacific Diversity & Work-Life Strategy Council
  April 19-21, 2010, Singapore
- ☐ Asia-Pacific Compensation & Benefits Council
  April 21-22, 2010, Singapore
- ☐ Asia-Pacific Talent, Leadership Development & Organizational Effectiveness Council
  May 5-6, 2010, Hong Kong
- ☐ Asia-Pacific Human Resources Council
  May 18-20, 2010, Singapore

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 ______________________________

Functional Area ______________________________

Company ______________________________

E-mail ______________________________

Tel ____________________ Fax ____________________

Address ______________________________

____

Country ______________________________