Last year, Lord Marshall of Knightsbridge became the first business leader based outside the United States to become Chairman of The Conference Board’s Board of Trustees. Lord Marshall is Chairman of British Airways Plc, and he previously served as Chief Executive and Deputy Chairman of the company. He is also Chairman of Invensys plc; Chairman of the Royal Institute of International Affairs (Chatham House); Chairman of Britain in Europe; Deputy Chairman of British Telecommunications plc; a non-executive director of HSBC Holdings plc; President of the Commonwealth Youth Exchange Council; and was President of the Confederation of British Industry.

In this interview, Lord Marshall examines the pressures on business to improve efficiency, the dangers of pursuing short-term profits, and the need to change traditional management structures. He also discusses the role of The Conference Board in helping companies find solutions to common problems around the world.

Q: What do you see as the biggest economic challenge facing multinationals?

Lord Marshall: Relentless trade liberalization will continue to intensify competition in every sector, creating a deflationary marketplace. Businesses are therefore challenged to achieve higher levels of efficiency through cost control and productivity. Inflationary trends in respective economies will have to be resisted fiercely, and business will need to make its voice heard more loudly and more frequently by governments. To maintain economic stability, business and industry will also have to think seriously about abandoning strategies for the short-term profit boom in favor of those which deliver steady, sustainable growth and development over the long term.

Q: What is the biggest management challenge?

Lord Marshall: It is the management of change in all its forms. In Europe, there is a dearth of managers with global business skills and a perceived inability among companies to develop and motivate them. The challenge of many multinationals is to replace the layered hierarchy defined by traditional management structures with more dynamic organizational models responsive to the needs of the global marketplace.

The Conference Board’s Annual Dinner, Oct. 16th

The Conference Board’s 2001 Annual Dinner will be held Tuesday, October 16th, at Cipriani’s on 42nd Street in New York City. The last five meetings have featured addresses by prominent newsmakers, including Federal Reserve Chairman Alan Greenspan, Securities and Exchange Commission Chairman Arthur D. Levitt, World Bank President James Wolfensohn, Secretary of State Madeleine Albright, and Secretary of the Treasury Lawrence Summers.

The October 16th meeting will be keynoted by another leading policymaker. Since seating is limited, contact Ana da Silva at 212 339 0355, or e-mail specialevents@conference-board.org to secure tickets.
Lord Marshall (continued from page 1)  

Management functions with fewer numbers of all-round managers. The objective must be to reduce the distance between top management and the customer, to deliver faster, more effective communication, with all the implications this has for flexibility, market response, efficiency, and change of strategic direction. The Conference Board has a clearly valuable role to play in helping companies to meet this challenge.

Q: How do you assess the value of The Conference Board as a nonpartisan business network?

Lord Marshall: The Conference Board provides an extraordinary—and in many ways unique—catalog of research, learning, and networking programs. I have seen at first hand the way you can bring powerful new sets of dynamics into play at all levels of international trade and commerce.

Q: What are the benefits of globalizing The Conference Board’s Board of Trustees?

Lord Marshall: It is now more than 20 years since The Conference Board established itself in Europe, and the emergence in that time of a pan-European business vision may not be entirely coincidental. I am sure the situation must be similar in other parts of the world. Globalization of the Board of Trustees represents historic recognition of the fact that The Conference Board is now global in membership as well as in scope, and I am very proud to be the first non-U.S. business person to be elected Chairman. The benefits to the business communities on all six continents will come from The Conference Board’s greater reach and presence as a truly global forum.

The Conference Board’s Councils Meet in Madrid, Warsaw, and Johannesburg

European Council on Human Resources. Iberdrola hosted the fall meeting at its headquarters in Madrid. The company’s CEO, Javier Herrero, underscored the vital role human resources is playing in his organization’s climb from a national enterprise to a global player. His message: the future success of a company depends on its culture.

Janet Huckvale, Director of Human Resources at Cisco Systems, said the Internet is changing “everything.” Companies and industries are in transition. “It’s changing the way we work, live, play, and learn.” Cisco is the fastest growing company in the history of NASDAQ. It made 21 acquisitions last year and expects its number of employees to grow from 27,000 to 72,000 in 5 years.

Polish Council of Chief Executives. The inaugural meeting of the Polish Council of Chief Executives, held in Warsaw this fall, linked presidents and chief executives from major local and multinational companies operating in Poland. They examined the many ways corporate headquarters are being reorganized to improve corporate effectiveness.

Supply Chain and Logistics. The Council on Supply Chain and Logistics visited South Africa for the first time for its global meeting in Sandton, near Johannesburg. It was hosted by UTI, PricewaterhouseCoopers, Descartes, i2, and SAF Marine. The three-day meeting examined new ways of “Making Supply Chains Work in a Globalized World: People, Partnerships and Performance.”
Successful Mergers Fatten Firms' Market Prices

Most companies have successfully integrated their most important mergers over the last ten years.

A study covering the top human resources managers in 134 companies finds that two-thirds say their merger integration efforts have been “very successful” or “successful.” One-third report they have been “less than successful” in integrating significant mergers.

There is a correlation between successful merger activity and stock market price. Stock prices in more than half the firms that successfully concluded their mergers outperformed the competition. But in nearly half the firms that weren’t successful in integrating mergers, stock prices were down a year after the merger.

Downsizing, which some analysts have called a major barrier to making mergers work, does not appear to be a key roadblock in successfully integrating mergers, the new study finds.

The study is one of five Conference Board reports on how M&As are being implemented.


Companies Employing Branding Strategies to Attract New Talent

Leading companies are using corporate brand-building strategies to lure and hold good employees.

Branding is becoming a fast-growing tool employed by major firms to make themselves more attractive both to current and potential employees. A report from The Conference Board and Charles Schwab covers 138 prominent companies. Virtually all the surveyed firms that have employer branding programs have begun them during the last five years.

“Employer branding is still evolving, but companies are finding that these efforts provide a real edge in competing for talent,” says Dr. David Dell, who heads The Conference Board’s Capabilities Management and Human Resources Strategies unit.


The Conference Board Launches New OnLine Executive Job Network

The Conference Board has launched a new job network for its members. Called Corporate Career Market, the new venture is being offered in cooperation with The Wall Street Journal.

Corporate Career Market gives Conference Board member companies the opportunity to post mid- and senior-level job openings on its award-winning website, www.conference-board.org. Those job listings are instantly made available to corporate members of The Conference Board’s global network.

A direct link is provided to The Wall Street Journal's careerjournal.com through The Conference Board’s website.

For more information on this new job network, contact John Oldfield by e-mail at ccm@conference-board.org, or by phone at 212 339 0366.
Corporate War on Corruption Intensifies Despite Skepticism

While some executives and government officials remain leery about global anticorruption efforts, many companies are pushing full speed ahead to develop their own ethics practices. A new Conference Board report shows how, and why, companies are implementing new programs. “These programs demand a global focus because no company and no region is immune to corruption,” says Ronald Berenbeim, The Conference Board’s expert on business ethics.

A January 2000 Transparency International survey of 779 multinational executives worldwide found that one-third believe that the level of corruption is increasing in their countries. The United States, Canada, Australia, New Zealand, and Western Europe are ranked at the top in ethics, with Asia in the middle, and Latin America, Eastern Europe (including Russia), and Africa at the low end.

For further information, visit The Conference Board’s Web site at www.conference-board.org

A Bright New Look for Across The Board

Across the Board, The Conference Board’s “magazine of ideas and opinion,” has been redesigned and will expand in size from 64 pages to 80, beginning with the March/April issue. It will be published six times a year, instead of ten.

The magazine currently reaches more than 25,000 readers, 88 percent of them in top management. Some 63 percent are chief executives, chairmen, presidents, chief administrative officers, chief operating officers, senior vice presidents, and vice presidents.

Across the Board’s roster of advertisers includes some of the world’s leading companies. Among them: Dupont, Pfizer, Xerox, KPMG, Accenture, Procter & Gamble, Johnson & Johnson, Dow Chemical, Shell Oil, AT&T, General Motors, Raytheon, IBM, Charles Schwab, Ernst & Young, Prudential, NCR, Bristol-Myers Squibb, Verizon, Kodak, Bank of America, Merrill Lynch, Avon, Mastercard, Fannie Mae, and Pitney Bowes.

For further information, visit The Conference Board’s Web site at www.conference-board.org

Gail Fosler, Chief Economist of The Conference Board, receives the Blue Chip Economic Forecasting Award. The award was presented by Paul Volcker, former Chairman of the Federal Reserve.

Gail Fosler Claims Another Major Award

Gail Fosler, Senior Vice President and Chief Economist of The Conference Board, has been awarded the latest annual Blue Chip Economic Forecasting Award.

One of America’s most prestigious awards for accurately forecasting major economic trends over the last four years, the award was presented by Paul Volcker, former Chairman of the U.S. Federal Reserve Board. The award ceremony was sponsored by Charles H. Brunie, Chairman Emeritus, Oppenheimer Capital, with The Manhattan Institute and Blue Chip Economic Indicators.

This is Fosler’s second major award over the last two years. Last year, The Wall Street Journal twice named Fosler America’s most accurate economic forecaster.

Conference Board Trustees Anne M. Tatlock, Chairman and CEO, Fiduciary Trust Co., and S. Dhanabalan, Chairman, DBS Bank, at a February meeting of the Trustees.
U.S. Calendar

The 2001 Employee Benefits Conference
Synchronizing Benefits with the Speed of Business
April 3-4, 2001
Coronado Island Marriott Resort, San Diego, CA
Top benefits experts will examine a take-risk management approach to employee benefit plans; how to use “employee choice” to attract and retain people; planning for and communicating the retirement needs of a diverse workforce; and profiting from Web technology.

The 2001 Compensation Conference
Compensation in the Old and New Economies
April 3-4, 2001
The Waldorf=Astoria, New York, NY
Sponsors: Watson Wyatt, Compensation Resource Group, Hay Group, Towers Perrin, William M. Mercer, and Deloitte & Touche
Senior executives from leading companies will review current and expected trends in compensation, and what’s happening to executive compensation options and other executive benefits as Old Economy companies and New Economy firms search for better compensation strategies.

The 2001 Business and Education Conference
Leveraging Technology: A Call To Action
May 10-11, 2001
The Capital Hilton, Washington, D.C.
At this meeting, leaders from business and education will exchange ideas and consider strategies relating to the use of technology as a tool to improve student performance.

The 2001 Advertising Conference
Charting New Territory
April 18-19, 2001
The Plaza Hotel, New York, NY
Senior executives will discuss the latest trends in building brand value, multicultural advertising, and Internet advertising. Also: New strategies for measuring and tracking advertising.

The 2001 Business Ethics Conference
The Ethically Effective Organization
May 3-4, 2001
The Plaza Hotel, New York, NY
Leading ethics specialists will examine such issues as: how to address privacy and other ethics challenges posed by the Internet; effective ethics training for small to mid-sized companies; and how to conduct ethics investigations, audits, and assessments.

The 2001 Mergers & Acquisitions Conference
Structuring the Deal: A Look at Tax and Accounting Strategies
May 8-9, 2001
The Fairmont Hotel, San Francisco, CA
Sponsor: KPMG
This conference will focus on the essential ingredients found in successful mergers.

European Calendar

Economic Forum
Achieving Structural Reforms to Boost Productivity: Lessons from the Benelux Countries
April 9-10, 2001
Groningen, The Netherlands
Hosts: Gasunie and the University of Groningen
This meeting will feature an expert look at productivity growth in the Benelux countries. Added attraction: The Conference Board is endowing a Chair of Economics on Productivity and Technology Policy at the University of Groningen. Its first professor, Bart van Ark, will present his inaugural lecture on April 10 on the main campus of the University of Groningen.

Merger and Acquisition Integration Forum
May 19, 2001
Paris, France
This forum, featuring prominent business leaders, will be of interest to managers searching for better merger and acquisition strategies and new M&A opportunities.

For more information about any of these events, please contact customer service at 212 339 0345, or visit our website at www.conference-board.org.
Annual European Human Resources Conference
May 31-June 1, 2001
Barcelona, Spain
Sponsors: The Hay Group, Iberdrola S.A., and SCA Consulting
The Conference Board’s internationally recognized Conference on Human Resources will be held in Barcelona. It will examine the people concerns of pan-European and global HR departments.

Asia-Pacific Calendar

Shared Services Conference
May 10-11, 2001
Sydney, Australia
Partner: American Chamber of Commerce
Sponsor: The Amherst Group Limited
Focusing on people and technology, prominent business experts will discuss how shared services is being advanced in different geographic regions.

Corporate Image Conference
June 12-13, 2001
Hong Kong
Partner: The Hong Kong General Chamber of Commerce
Sponsor: Futurebrand
Successful companies know that a meaningful corporate image and reputation give organizations distinct identities and help build both reputations and stronger customer relationships. This conference will analyze the latest strategies companies are using to position their brands in a slow-growth business climate.

Asia-Pacific Human Resources Conference
June 13-14, 2001
Hong Kong
Partner: Hong Kong Institute of Human Resources Management
Can Asia’s hard working and productive workforce spur economic growth in the Asia-Pacific? Cost and productivity will often tip the scales, but people make the difference. Some of the world’s leading experts will explore the importance of the people element in Asia.

Addressing Sustainability: Benchmarks for Economic, Environmental, and Social Performance
June 18, 2001
Hong Kong
Partner: The Hong Kong General Chamber of Commerce
Sponsors: Esquel Group and Dow Jones Sustainability Group Index
This meeting will focus on how world-class organizations approach sustainable development, social responsibility, ethics, and globalization issues.

Women in Business Conference
September 2001
Sydney, Australia
Partner: American Chamber of Commerce
A generation after women rushed into the workforce, female corporate officers and board members are still scarce. This meeting will examine the barriers for women. Are they cultural, institutional, or personal? What actions—by corporate management or individuals—are being taken to remove these roadblocks so more women can gain leadership positions?

For more information about any of these events, please contact customer service at 212 339 0345, or visit our website at www.conference-board.org.