

The Visionary Board Award

Presented by the Thai Institute of Directors and Grant Thornton

7th November 2018



AGENDA



Grant Thornton



**Innovation, Transformation &
Disruption**

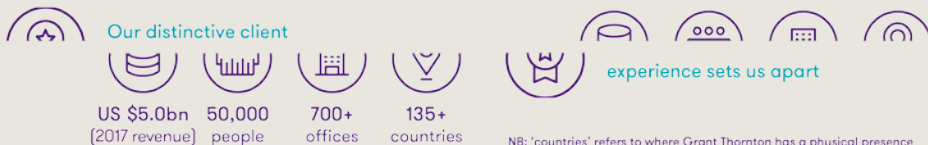


The Visionary Board Award



Grant Thornton

We're a network of independent assurance, tax and advisory firms, made up of 50,000 people in 135 countries, and we're here to help dynamic organisations unlock their potential for growth.



Grant Thornton in Thailand



17%
Average annual growth rate per year for the past 5 years



14
Partners in Thailand



2
Offices

“We are the perfect partner for organisations that are ambitious and want to grow. We understand organisations that are going through change and that need our advice and support, because we too share the characteristics of ambition and dynamism.”

Ian Pascoe, CEO and Managing Partner, Grant Thornton in Thailand

Innovation, transformation and disruption

“

If the rate of change on the outside exceeds the rate of change on the inside, then the end is near.

- Jack Welch

”

The world is constantly changing



Disruptive business models that impacted us



The world's largest retailer *does not own any goods*



The world's largest taxi company *does not own a single vehicle*



The world's largest media company *does not own any content*



The world's largest phone company *does not own any telco infrastructure*



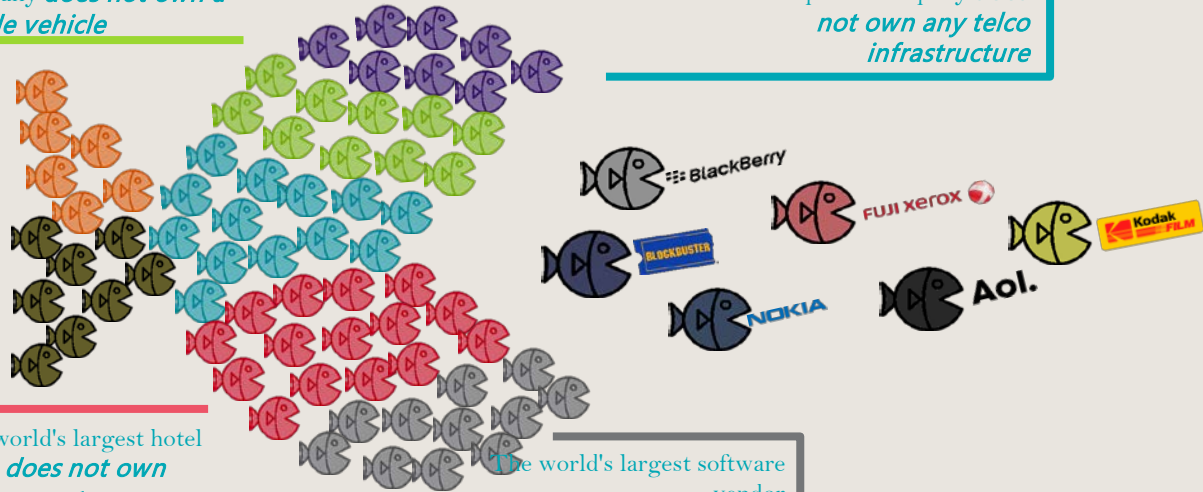
The world's largest movie house *does not own any theatres*



The world's largest hotel chain *does not own any property*



The world's largest software vendor *does not write most apps*



Industry 5.0: Dealing with intelligence

Requires firms to reshape themselves



1.0

Product / Service

Firms who were born during the 'age of manufacturing' have business models, processes and technology that are organised around their **product / brand**



2.0

Store

Firms who were born during the 'age of distribution' have business models, processes and technology that are organised around their **store front / branch**



3.0

Channel

Firms who were born during the 'age of internet' have business models, processes and technology that are organised around their **channels**



4.0

Customer

Firms who are born during the 'age of the empowered customer' have business models, processes and technology that are organised around their **customer**



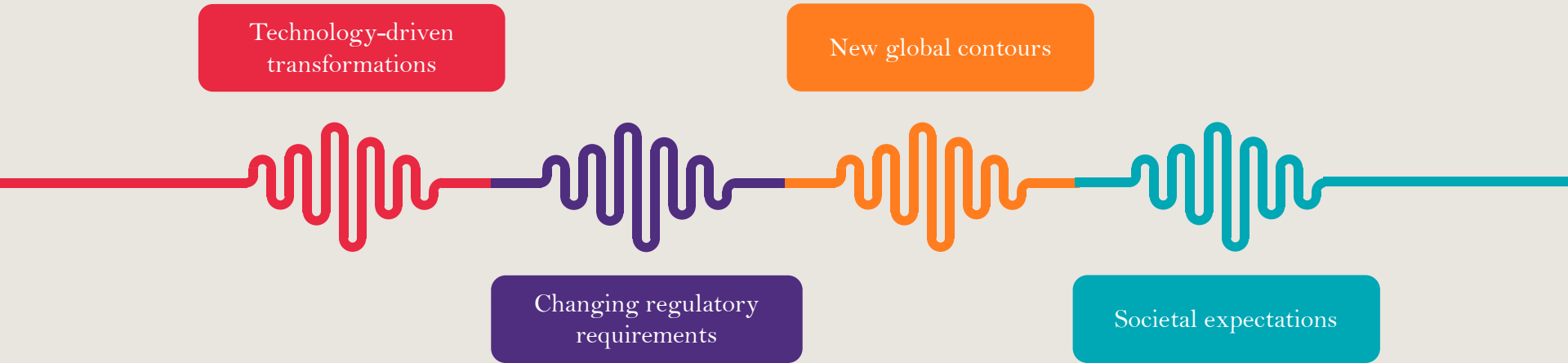
5.0

Intelligence

Firms who need to be successful in future's 'age of intelligence' need to *reimagine* their business model, processes and technology and re-shape them around **personalisation along with man and machine collaboration**

Unfamiliar dynamics confronting you today

Each creating wave upon wave of confounding new issues



3 types of problems leaders face

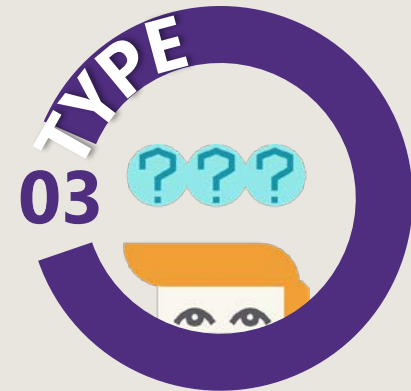
The need for bold strategies to capitalise on the dynamism of our times – combined with excellent, timely execution of evolving operational imperatives – has arguably never been greater



The question is *known*,
and the answer is *clear*.



The question is *known*,
but the answer is not.



Both the question AND
the answer are *unknown*.



DISCOVERY

Watch + listen to learn



ENABLE

Fast + interaction + iteration



BUILD

To bust or scale, fast + cheap



IDEATION

Generate ideas without constraint or attachment

INNOVATION CYCLE

Stages of Innovation



INCREMENTAL

Improve how we deliver existing products/services to existing customers to protect core value

-
- ▶ Fix or add features
 - ▶ Change pricing
 - ▶ Expand range
 - ▶ Improve delivery / service



ADJACENT

Extend our existing services to new customers/markets OR create new services for our existing customers

-
- ▶ Adjust and expand offering to new co-related segment
 - ▶ Find additive ways to serve existing customers that meet emerging needs



DISRUPTIVE

Develop a completely new way to exist in your category by developing a new way of solving new problems before competitors

-
- ▶ Radically reduce cost to serve
 - ▶ Transform method or channel for delivery
 - ▶ Simplify core component that changes paradigm

How is Thailand performing?

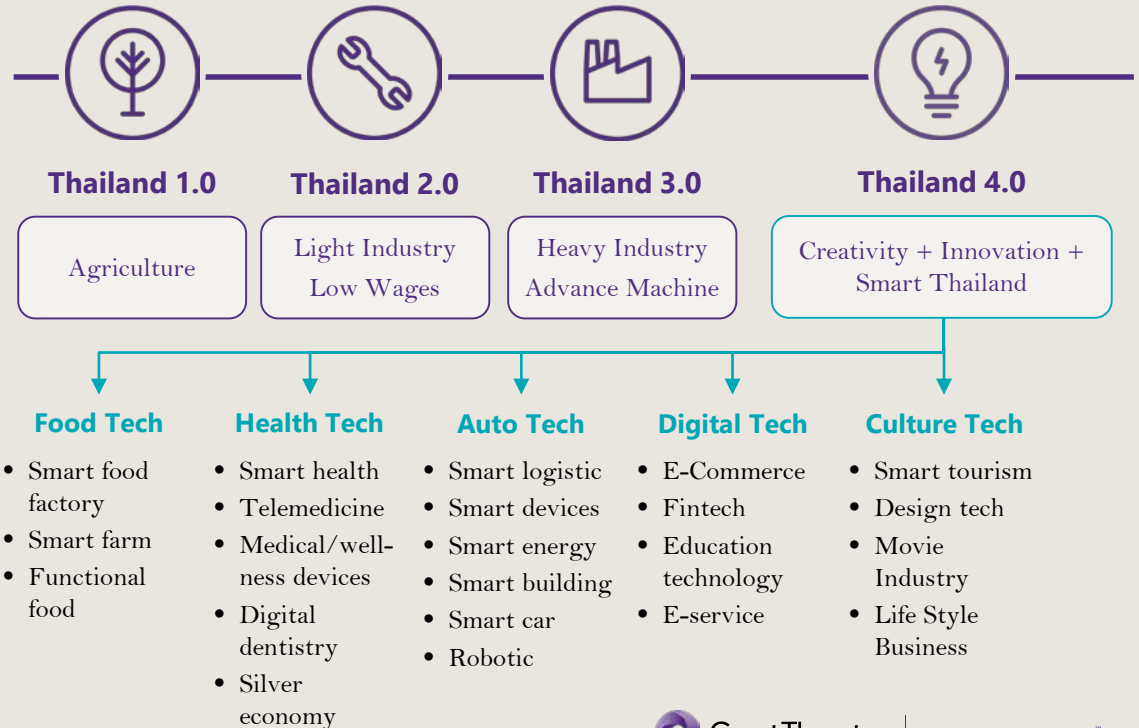
Top Performers Globally (2018)

(1)		Switzerland	68.40
(2)		Netherlands	63.32
(3)		Sweden	63.08
(4)		United Kingdom	60.13
(5)		Singapore	59.83

Asian performers ranked globally

(5)		Singapore	59.83
(13)		Japan	54.95
(17)		China	53.06
(44)		Thailand	38.00
(57)		India	35.18

Thailand's Industry Shifts – Time to get disruptive!



Source: Global Innovation Index Ranking (2018)

How is Thailand 4.0 coming along so far?

Results based on The Grant Thornton International Business Report (IBR) from Q2, 2018 – surveying more than 2,500 Chief Executive Officers, Managing Directors, Chairman or other Senior Executives from all industry sectors of listed and privately held businesses:

ICT Infrastructure



Constraint decreased from **30%** (Q2, 2017) to **20%** (Q2, 2018)

Spending on R&D



Prospective increased from **16%** (Q1, 2018) to **26%** (Q2, 2018)

Investment in technology



Optimism increased from **18%** (Q1, 2018) to **28%** (Q2, 2018)

Government incentives



i.e. BOI, IBC



44% (Q2, 2018) identify economic uncertainty as a constraint

Economic uncertainty



Constraint increased from **34%** (Q2, 2017) to **38%** (Q2, 2018)

Regulation & red tape



Limitation increased from **24%** (Q1, 2018) to **34%** (Q2, 2018)

Lack of skilled workers

Source: Grant Thornton International Business Report (IBR), Q2 2018

So what now for the future of a Board?

Grant Thornton sees the roles of effective boards shifting from strong focus purely on transparency and disclosure, to playing a more proactive role in guiding the company successfully into the future while also governing it for the present. Hence, a visionary board provide not only oversight and insights, but also future foresight.

Future focused and expansive in thought –
Susan Angele

We need to reimagine our roles
– articulate visions and plans for the future

The Boston Consulting Group (BCG) examined companies that successfully maintained performance over a long period in the face of external shifts or disruption. In the study, Turning Around the Successful Company, BCG found that these companies held certain common characteristics, including:

- ▶ **External orientation** – actively striving to pick up and change signals from the outside environment
- ▶ **Healthy paranoia** – lack of arrogance, and awareness of competitive vulnerability even when short-term results are good
- ▶ **Long-term perspective** – focus on sustainable competitiveness
- ▶ **Resource fluidity** – ability and willingness to shift resources as needed





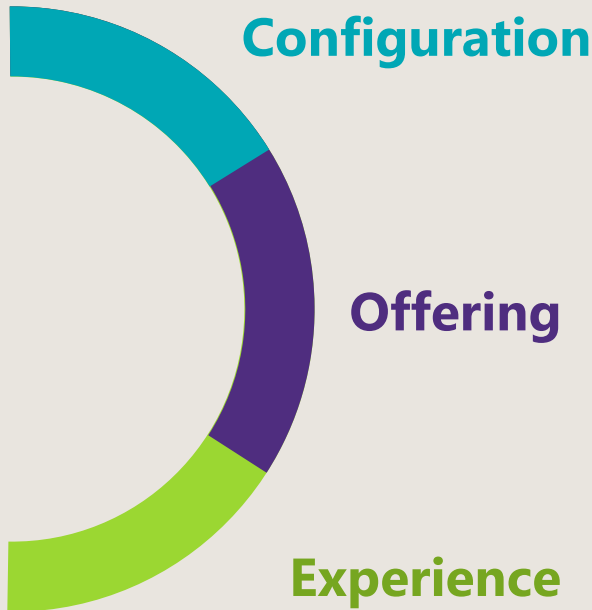
The Visionary Board Award

Visionary Board Award Definition

The **Visionary Board Award** is given to recognise outstanding **board engagement** in formulating and driving innovative strategy, which creates future value for all stakeholders as well as positions their organisation at the forefront of disruptive changes.



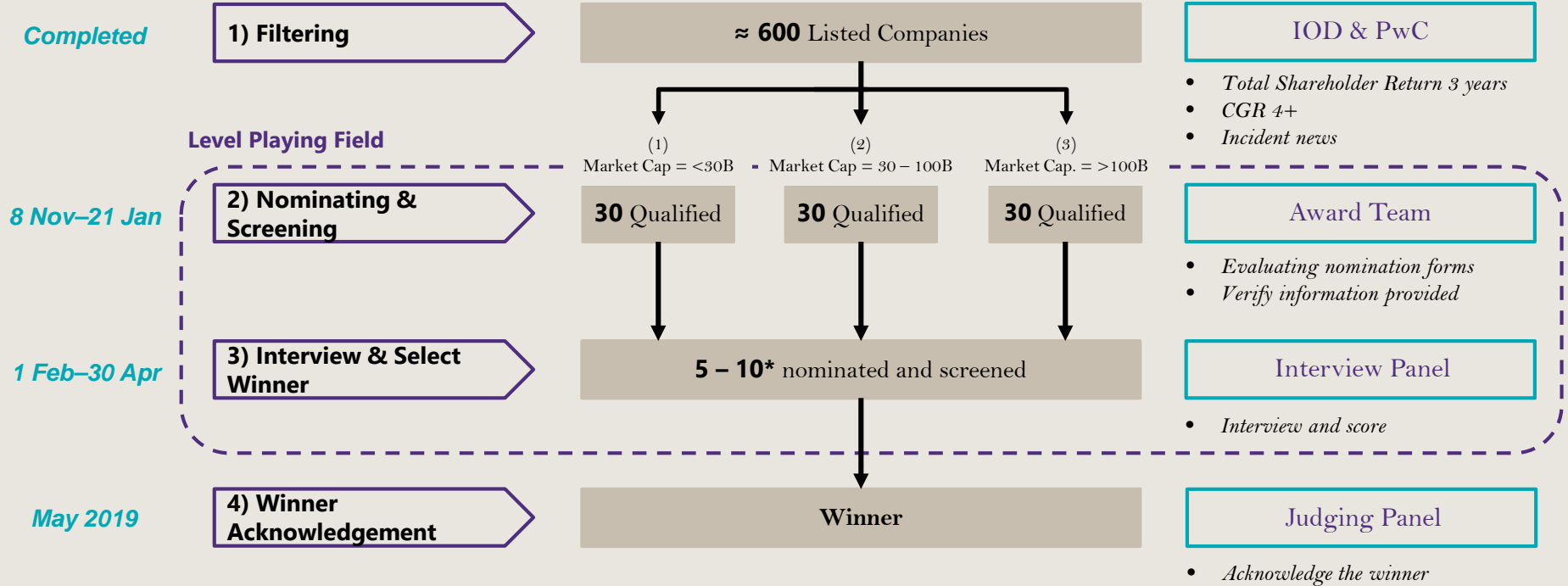
Suggesting the Type(s) of Innovation



- **Profit Model:** how you generate revenue
- **Network:** how you connect with others to create value
- **Structure:** how you organise and align your talent and assets
- **Process:** how you use signature or superior methods to do your work
- **Product performance:** how you develop distinguishing features and functionality
- **Product system:** how you create complementary products and services
- **Service:** how you support and amplify the value of your findings
- **Channel:** how you deliver your offerings to customers and users
- **Brand:** how you represent your offerings and business
- **Customer engagement:** how you foster compelling interactions

Source: Ten Types of Innovation: The Discipline of Building Breakthroughs

Award Selection Process



* Number of nominees selected during the screening stage (2) may range depending on the number and quality of applications, which will be determined by the variability in awarded scores based on the defined criteria.

Award Judging Criteria

Criteria	Weightage (%)
1. Degree of Innovation, Usefulness and Value Creation	40
1.1 Originality and creativity	
1.2 What challenge will it address, what new thing can you do	
1.3 Stakeholders it adds value for	
1.4 Technical feasibility	
2. Ensuring Success of Execution	30
2.1 Execution plan effectiveness with a reasonable timeframe	
2.2 Sustainability and lasting impact	
2.3 Economical and growth potential	

Award Judging Criteria

Criteria	Weightage (%)
3. Board Leadership and Effectiveness	
3.1 Strategy <ul style="list-style-type: none">• Board involvement in strategy development, evaluation, and refinement• Continuously thinking ahead towards the future and innovating as part of their corporate strategy, vision, mission 3.2 Functioning & Performance <ul style="list-style-type: none">• Board dynamics and support of vision and innovative strategy• Board involvement in formulating and driving (approving, monitoring, measuring) future execution based on strategy to achieve intended outcomes• Board and management evaluation 3.3 Structure & Composition <ul style="list-style-type: none">• Composition of board, committees and management in line with strategy• Talent empowerment, recruitment & retention approach, with a culture of driving people competencies development 3.4 Governance & Accountability <ul style="list-style-type: none">• Appropriate controls and risk management to ensure regulatory compliance and transparency• Shareholder communication and investor accountability• Social impact of vision and accountability to community	30


Award Nomination & Screening

Award Team



Visionary Board - Nomination Form

Grant Thornton
An instinct for growth™



VISIONARY BOARD AWARD

The Thai Institute of Directors Association (IOD) in collaboration with Grant Thornton recognises that in this rapidly changing disruptive business environment, it is vital for boards to ensure that innovation is a major part of their strategy. As such, boards demonstrating excellence in this area are encouraged to enter the nomination. The "Visionary Board Award" will be granted to an exceptional board of listed companies for the year 2018. The award recognises outstanding board engagement in formulating and driving innovative strategy, which creates future value for all stakeholders as well as positions their organisation at the forefront of disruptive changes.

SUGGESTING THE TYPE(S) OF INNOVATION

Innovation is not just about inventing new products or services. According to the [Ten Types of Innovation: The Discipline of Building Breakthroughs](#), innovation could be in the form of:

Configuration

- **Profit Model:** how you generate revenue
- **Network:** how you connect with others to create value
- **Structure:** how you organize and align your talent and assets
- **Process:** how you use cognitive or superior methods to do your work

Offering

- **Product performance:** how you develop distinguishing features and functionality
- **Product system:** how you create complementary products and services

Experience

- **Service:** how you support and amplify the value of your offerings
- **Channel:** how you deliver your offerings to customers and users
- **Brand:** how you represent your offering and business
- **Customer engagement:** how you foster compelling relationships


Source: Ten Types of Innovation: The Discipline of Building Breakthroughs

JUDGING CRITERIA

The following weightage apply to the judging criteria:

1. Degree of Innovation, Usefulness and Value Creation (40%)
 - 1.1 Originality and creativity
 - 1.2 What challenge will it address, what new thing can you do
 - 1.3 Stakeholders it adds value for
 - 1.4 Technical feasibility
2. Ensuring Success of Execution (30%)
 - 2.1 Execution plan effectiveness with a reasonable timeframe
 - 2.2 Sustainability and lasting impact
 - 2.3 Economical and growth potential

Grant Thornton
An instinct for growth™



1. Board Leadership and Effectiveness (30%)

- 3.1 Strategy
 - Board involvement in strategy development, evaluation, and refinement
 - Continuously thinking ahead towards the future and innovating as part of their corporate strategy, vision and mission
- 3.2 Functioning & Performance
 - Board dynamics and support of vision and innovative strategy
 - Board involvement in formulating and driving (approving, monitoring and measuring) future execution based on strategy to achieve intended outcomes
 - Board and management evaluation
- 3.3 Structure & Composition
 - Composition of board, committees and management in line with strategy
 - Talent acquisition, empowerment & retention approach, with a culture of driving people competencies development
- 3.4 Governance & Accountability
 - Appropriate controls and risk management to ensure regulatory compliance and transparency
 - Shareholder communication and investor accountability
 - Social impact of vision and accountability to community

NOMINATION FORM

All 90 qualified companies as announced by the Thai IOD for the year 2018 are encouraged to submit nominations. Firms can nominate themselves or others in the aforementioned list.

Simply forward the completed nomination form to: visionaryboard@iioi.com

If you have any enquiries, please contact one of our consultants below:

- Khun Saritak Manochai, E: Saritak.Manochai@iioi.com, T: 02-205-9287
- Khun Thamonwan Chuenshi, E: Thamonwan.Chuenshi@iioi.com, T: 02-205-8218

Nominations close 25 January 2019.

I nominate My organisation Other organisation


1) Nominee Details

Organisation:

Contact person in the nominated organisation (if nominating another). You may leave the section blank if you don't have a contact point in the firm:

Name:
 Position:
 Tel:
 Email:

Grant Thornton
An instinct for growth™



2) Justification Statement

Please provide a brief summary including demonstrated achievements and the innovation work for which the above organisation is being nominated.

To improve the chances of your nomination being successful, please make sure your entry meets the criteria as outlined in the aforementioned Judging Criteria.

(Limit response to 1500 words)

3) Nominated by

Name:
 Organisation:
 Position:
 Tel:
 Email:

What's in it for the Winner?

The Visionary Board Award



2-day test of your strategy with Grant Thornton



3 complementary Boardroom Excellence Classes by the Thai IOD



Recognition & media exposure



Network & share knowledge with like-minded IOD award winners regionally



We look forward to your nomination!
