

A large, stylized green chevron graphic pointing to the right, with the text "High performance. Delivered." centered within it.

High performance. Delivered.

# Globalization: Global Economy and the Multi-Polar World Podcast Transcript

Accenture Reports from the World Economic Forum

**Speaker: global head of  
Strategy for Accenture ,  
Mark Spelman**

Hello, I'm Paul Bushet, your host for the Accenture High Performance Business Podcast series. I'm here today with Mark Spelman who is joining us from The World Economic Forum's Annual Meeting in Davos, Switzerland, where Accenture has introduced its latest thinking into the effects of globalization and how organizations can achieve high performance in a multi-polar world.

It's good to be with you, Mark. Why don't

we start off by having you introduce yourself and talk to us about some of the conversations you've been having with other leaders which I can imagine are focused on the global economy?

A very warm welcome from Davos. My name's Mark Spelman, I'm the global head of Strategy for Accenture and here we are, 2009, Davos, at a very sort of pivotal time on the global economy, when we look at both what's happening in the financial markets and what's happening on the macroeconomic scene.

At Davos this year, we're going to see a

very interesting range of issues being discussed and debated—everything from macroeconomic geopolitics all the way through to some new, innovative ideas, particularly around the low-carbon economy. And I think what's really important is that as we look at the scene today, I think people are desperate to understand context, because the context of what's happening—whether it's in the financial markets or whether it's happening in the global economy—in many ways are shaping the future direction of many of our industries, and clearly, it's a big impact on the financial markets.

But actually, as we get into sort of looking at, for example, the future of banking, you recognize that it's got linkages to, for example, telecoms and the whole way that mobile banking is potentially moving forward. And so the macroeconomic geopolitical context impacts on industry structure; that links you into who are going to be the future winners and losers, going forward. Are those winners going to come from the developed world or are they going to come from emerging markets? And I think one of the interesting dynamics is to watch where those future winners are coming from and what are those particular strategies of winners?

Mark, can you share some of your thoughts around how the globalization scene might be different in 2009?

I think 2009 is going to be a very formative year, because essentially what we're discussing is what are going to be the new rules for the new global economy, going forward, and this is about both the developed world and the emerging world working together. As we look at what's happened with the economic indicators over the last two to three months, clearly everybody's been affected, but they've been affected in different ways. Most of the growth in the developed world is negative, but clearly there are still markets in the emerging world which are going to grow, and we've had big discussions about the role of China, the role of India, the Brazilian economy is still fairly robust, but there are other emerging markets where clearly the growth prospects are less robust, and it also varies significantly industry-by-industry. And so the discussion's been very much around how the interdependence is really going to work on the global stage.

That's interesting Mark. What type of issues are people talking about when it comes to globalization?

We've still got issues about new consumers coming into the global market; we've still got issues about the war for talent; interesting news about where the new centers of innovation are going to

be, particularly when you look at things like the green economy.

There are still going to be important new sources of finance to access; the sovereign wealth funds in particular, I think, have been hurt by some of the investments they made in the financial markets, but they've still got major sources of funding and those are going to play out as we look for the green shoots of recovery.

And then, of course, we've got the commodities, and the commodity prices have fallen significantly over the course of the last six months or so. But actually, as the green shoots of recovery come, we know there's going to be pressure on commodities, and those battlegrounds have not changed, despite the fact that we've had the financial market problems and the economic downturns.

Mark, how is Accenture addressing these issues with your clients?

It's very important that companies can respond to both the financial market pressures as well as the underlying trends in the global economy, and one of the things that we've been doing is producing a series of reports around the multi-polar world. And, essentially, what we've been saying in [our white paper, *Strategies for Achieving High Performance in a Multi-polar World*] is that companies need to be able to operate to multiple timeframes. Clearly, there's immediacy, there's urgency about making sure you've got your cost base right, that you've got cash, but that critically, you're managing that in a way that gives you capability so that you can grow and expand in the future.

But as you look at companies and as we talk to various individuals here, what you see is that there's a difference between those who've got cash, those who are in leadership positions, and those who are actually sort of perhaps more in survival mode. And what we try to focus on is to say you've got to balance that immediacy issue with actually thinking through what are your strategic options, what are your strategic choices, and how do you

actually sort of think through those choices across the five battlegrounds—and that really is what [our white paper on the] *Multi-polar World* is all about.

So what we've done is we've looked at those good high-performing companies, which get it right in terms of being able to target new markets, who are able to understand the consumer groups, which are going to be the key opportunities for the future. If you take a company like Nokia, for example, how is it that Nokia is able, on the one hand, to sell very sophisticated mobile devices in the United States, in Europe, and at the same time sell a \$3 device in countries like Uganda and Kenya? And it's that ability to be able to tailor your business model to different local market situations, which I think is an example of how you get ... you look at your geographic options and you really understand those customer preferences.

The other thing that we've noticed is that what high-performing companies really do well is their ability to source and use talent globally. Many companies actually have a talent strategy which is really based on looking at individual geographies, and the ones that really get this right are the ones who are able to get in and look at the different opportunities to source talent. And the companies that are able to work effectively in local markets are the ones who can source that talent locally, but then make them feel part of a global organization. And then again, I think if you look at organizations like Cisco, they've got very sophisticated talent management strategies now, which are able to work across both developed and emerging markets.

And I think the third example that we see is very much around how companies are able to innovate locally and take that local innovation and be able to expand it and leverage it on a global basis. And you can see companies like Best Buy, for example, who've been able to develop and innovate things in China and then take them to Canada. It's that ability to move knowledge and ideas around. And these are some of the ideas at the heart

of [our white paper] Multi-polar World. It's about how do you get the right geographic options, how do you evaluate them, how are you authentically local at the individual market level, and then critically, how do you leverage scale? This is ultimately ... it's super-global, it's super-local, and it's all about multi-polar world leadership, and it's about bringing those things together. And we think that that is what is going to distinguish the future winners.

Mark, we thank you for sharing your insights with us.

A more complete playbook is available in the form of the Accenture white paper, Strategies for Achieving High Performance in a Multi-Polar World, which can be accessed at our website, [www.accenture.com/mpw](http://www.accenture.com/mpw).

This concludes our Accenture podcast. We thank you for listening, and hope you found these insights worthwhile and stimulating. For more information about Accenture's research and experience in helping organizations achieve high performance, visit our High Performance Business Podcast Series.