

The Global Company of 2020 – what does the future hold?



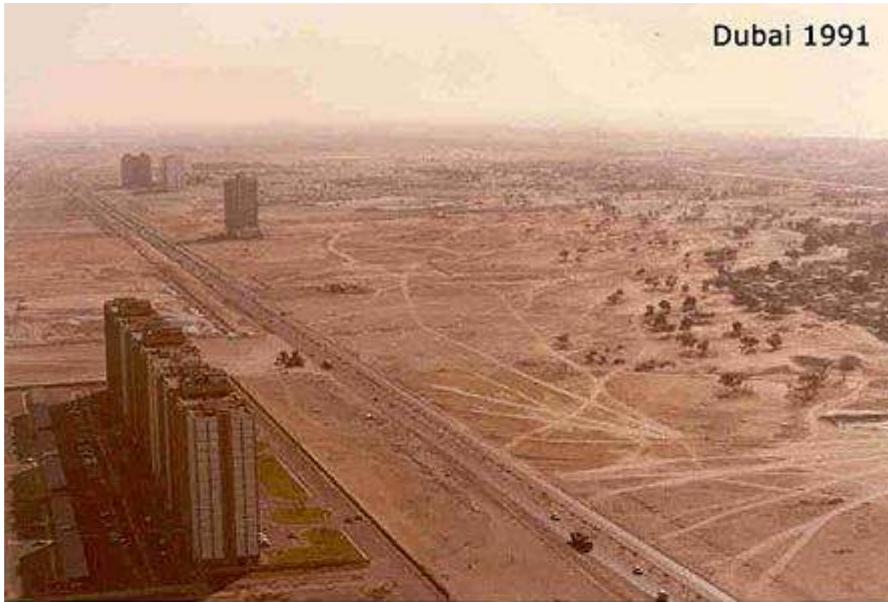
Dominic Casserley
Managing Partner, UK and Ireland

London School of Economics
28 January 2008

Opportunities

1. Manage the portfolio effectively

Dubai 1991



Dubai 2005



Shifting centres of economic activity

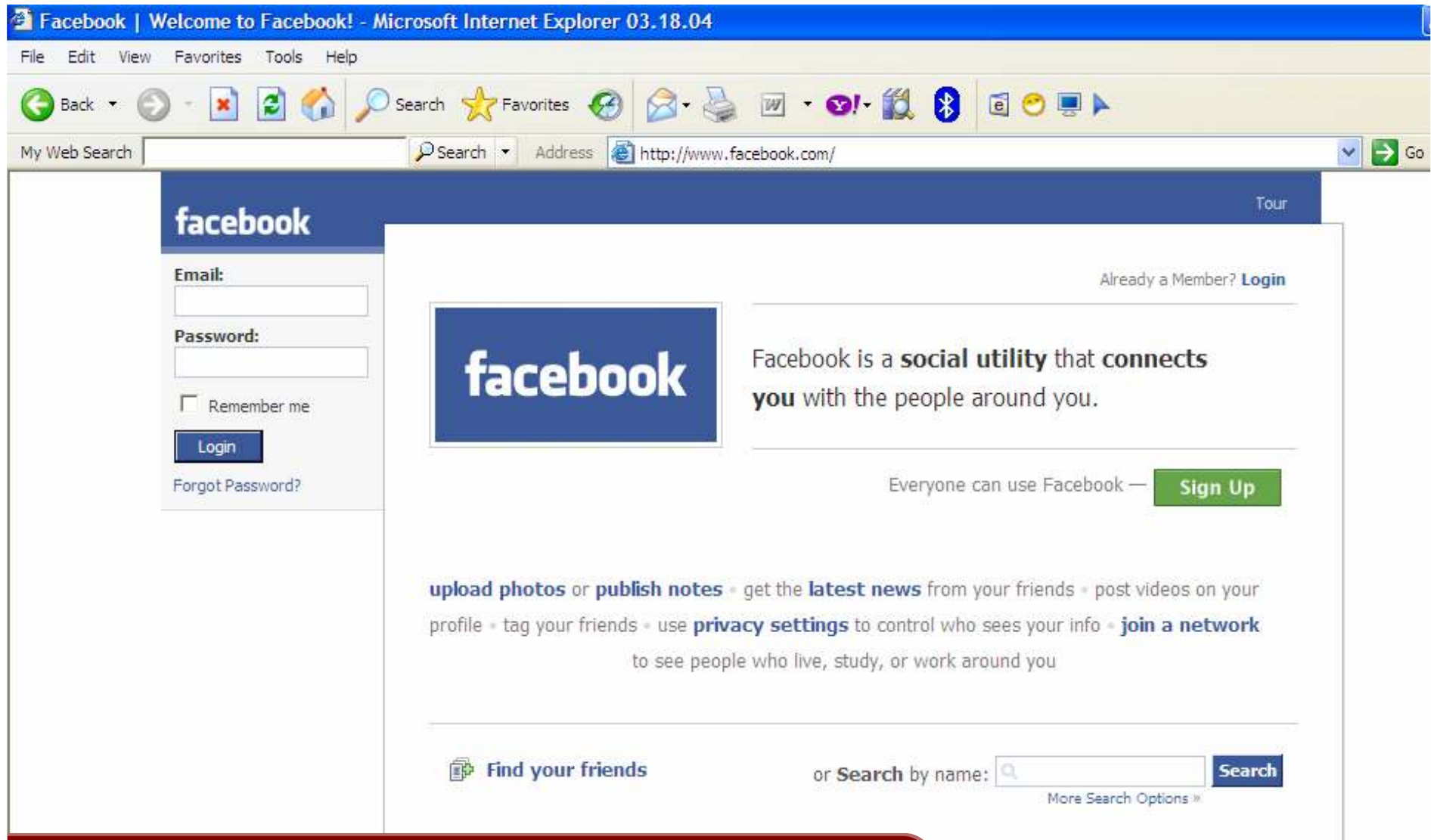
New consumer landscape



Shoe store, Shanghai, China

Opportunities

2. Capitalise on the technological revolution



**Technological connectivity
is changing our lives**

3. Understand and anticipate better the risks of resource scarcity



Aramco Mobil oil refinery, Yanbu,
Saudi Arabia

Solar panels, FedEx facility, Oakland, US



Limited resources, unlimited demand

4. Shape an effective corporate social agenda



TESCO

“ The battle to win customers will increasingly be fought not just on value, choice and convenience, but on being good neighbors, being active in communities, seizing the environmental challenge and on behaving responsibly ”

Terry Leahy, CEO



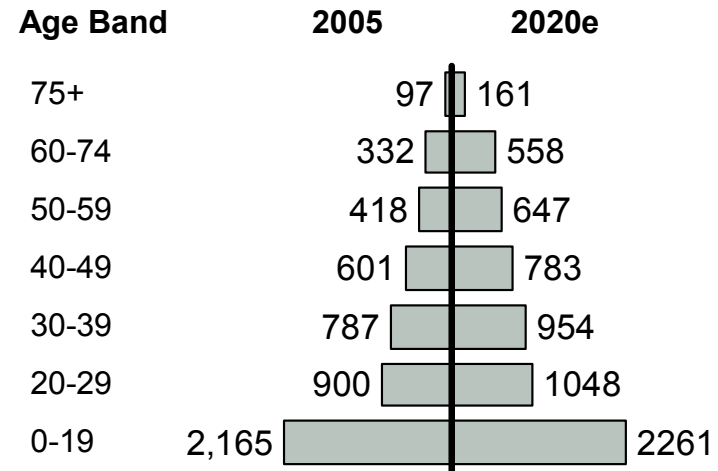
Social issues becoming strategic

5. Engage with governments

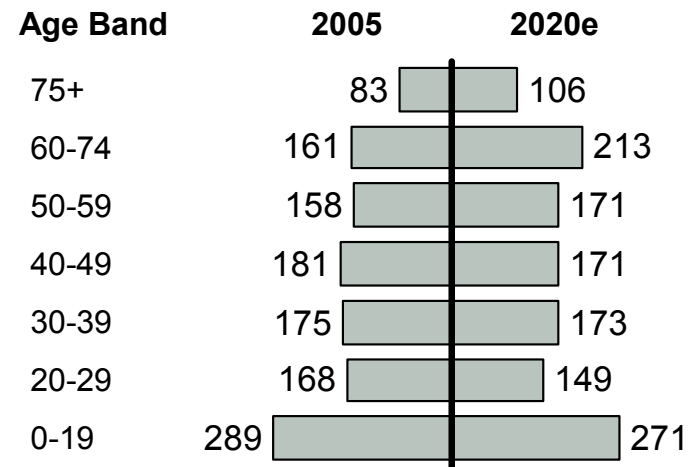
Different demographics



Less Developed Countries (millions)



Developed Countries (millions)



Opportunities

- 1. Manage the portfolio effectively**
- 2. Capitalise on the technological revolution**
- 3. Understand and anticipate better the risks of resource scarcity**
- 4. Shape an effective corporate social agenda**
- 5. Engage with governments**

Managerial challenges

- 1. Continuing economic imperative – need to make money for investors**

Risk and reward

- **Risk assessment**
- **Natural ownership**
- **Risk capacity**
- **Risk-informed decision-making**
- **Organisation and governance**

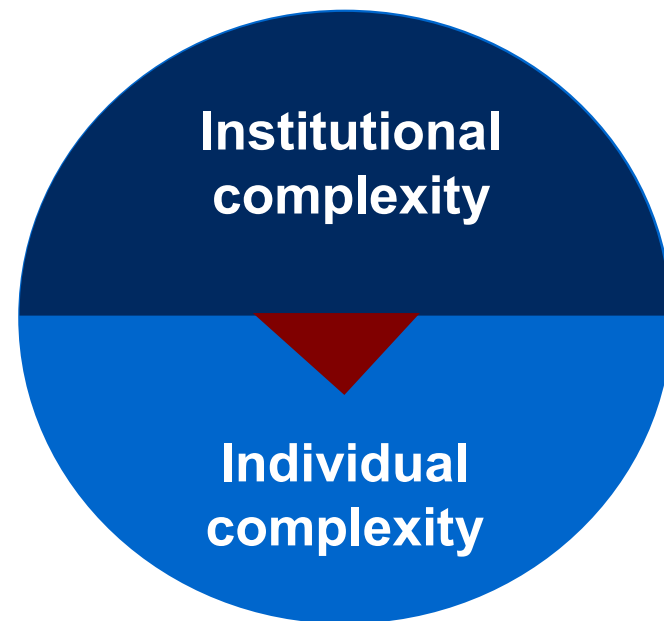
Managerial challenges

2. Using complexity to own advantage

Capitalising upon complexity

Benefits

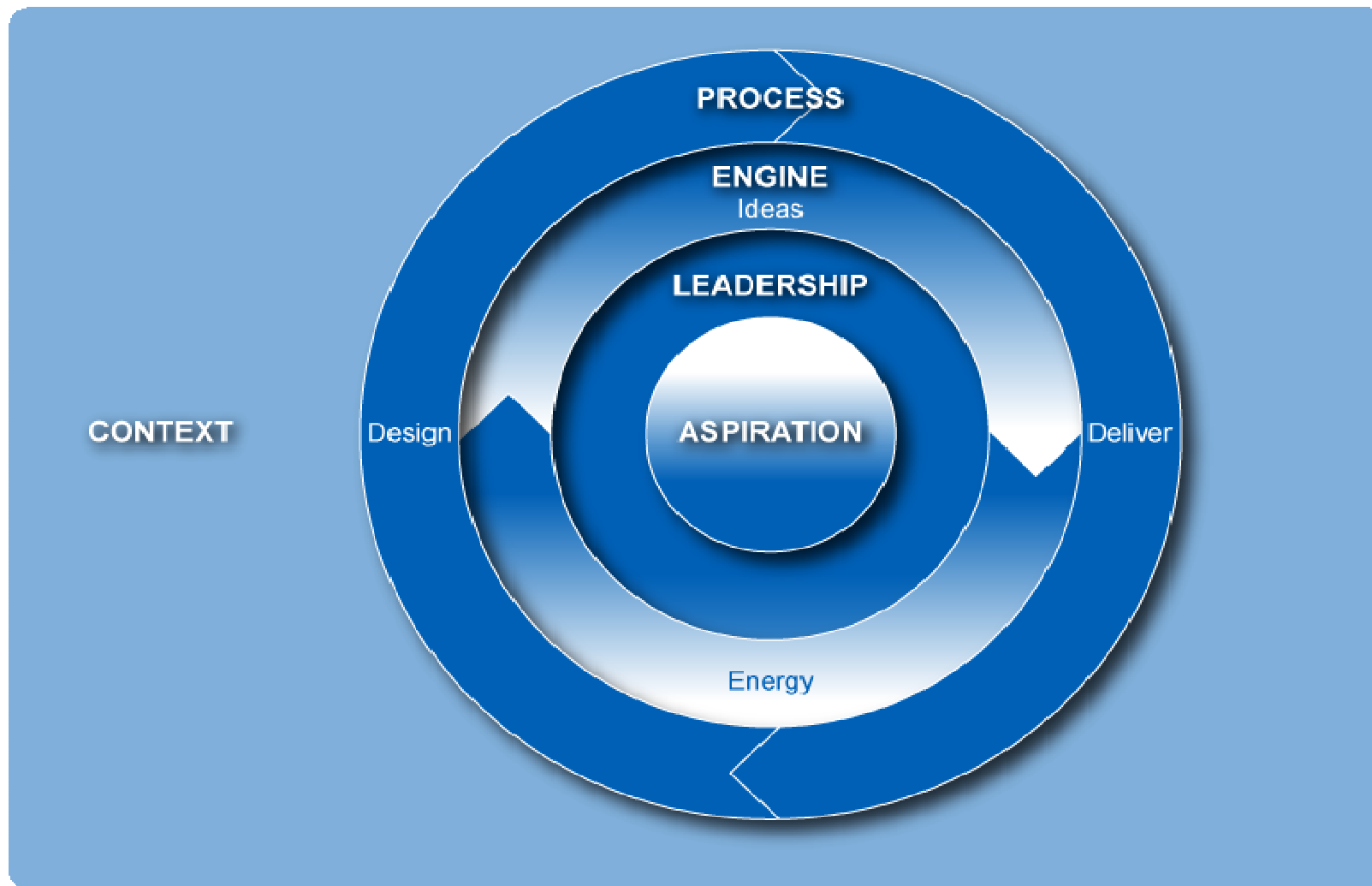
- **Knowledge and insight generation**
- **Stress-testing = robust decisions**
- **Opacity**



Managerial challenges

3. Making transformational change happen

Transformational change needs inspirational leadership



Managerial challenges

4. Developing global labour and talent strategies

Turbulent tides of talent



Film industry, Prague, Czech Republic

Managerial challenges

5. Building competitive advantage through knowledge management

Science of management



McKinsey&Company

 Dresdner Kleinwort

Opportunities

- 1. Manage the portfolio effectively**
- 2. Capitalise on the technological revolution**
- 3. Understand and anticipate better the risks of resource scarcity**
- 4. Shape an effective corporate social agenda**
- 5. Engage with governments**

Managerial challenges

- 1. Continuing economic imperative – need to make money for investors**
- 2. Managing complexity to own advantage**
- 3. Making transformational change happen**
- 4. Developing global labour and talent strategies**
- 5. Building competitive advantage through knowledge management**