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SID
SINGAPORE INSTITUTE OF DIRECTORS

DIRECTORS BULLETIN

Quarter 3, 2019

GETTING ON BOARD TRANSFORMATION

Board Transformation: Changing to Stay Ahead
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Realising Digital Ambition Through Talent and Culture
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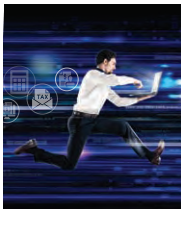

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FROM **ORDINARY** TO **EXTRAORDINARY**

TRANSFORMATION

SID DIRECTORS CONFERENCE 2019

Today, we live in an era of transformation, in an age of astonishing possibilities, sudden breakthroughs and social and political upheavals. Businesses have to respond to unexpected change on many fronts – including climate change, consumer behaviour, demographics, culture, and trade. In this conference, we seek to examine how businesses can reimagine and adapt organisational strategies, policies and processes to produce a mindset change beyond technological developments. Participants will have opportunities to network, interact and engage with industry leaders in carefully curated topics at the three dedicated breakout tracks.

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- Co-author of Blue Ocean Strategy

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On Board with Transformation

By **PAULINE GOH**
Chair, SID Bulletin Committee

It's a truism that change is all around us. Increasingly, boards and companies realise that they must not only embrace change, but take in deep and radical change, i.e. transform.

That's easier said than done. There are many facets and complexities involved in transforming the enterprise. This issue of the *Directors Bulletin* seeks to explore some of these different aspects and perspectives.

We start with several articles on the transformation journeys including dual transformation (page 6), the different types of transformation (page 10), digital transformation (page 16), family businesses (page 26) and sustainability (page 34).

Given the importance of technology in driving change, it is not surprising that many of the articles touch on or delve into digital in a big way. For example, Ong and Tian explain how crypto currencies, initial coin offerings and blockchain technology have transformed financial platforms (page 22). Cyber security, disruptive technology, data protection and blockchain are recurring topics in our professional development courses for directors and senior management – including our webinar on Amazon's approach to innovation (SID news pages).

Financial reporting is one area where transformational shift has been debated at length. And we have various contributions from industry professionals and experts weighing in on changing trends in tax (page 52), audit and accounting (page 56), and internal audit (page 60). An insightful analysis by former SID Council member Gerard Tan in our "Counting Beans" column gives a broad overview of the shifts that have taken place in accounting standards.

Transformation needs to be managed. Langton and Chia examine the role of the board in this respect (page 38), although Shai Ganu, in our "Boardroom Matters" column (page 44), asks if we will still need boards in the future economy.

Meanwhile Snyder and Uhrinek describe how talent and culture need to be managed (page 46), and Leong and Jocson describe how the broader risks of organisational change can be managed in a digital transformation scenario (page 30).

But when it comes to changing mindsets, Haresh Khoobchandani argues that leaders seeking to drive transformation first have to undergo personal change (page 50).

On a lighter note, join SID Council member Robert Chew as he takes his own transformational journey on board a Zero Gravity Corporation's (Zero G) Boeing 727. You can read about Robert's out-of-this-world experience in "After Hours" (page 84).

What's clear is that if your board and company are not already, it's time to get on board the transformation wagon. ■

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SID Bulletin Committee

CHAIR
Pauline Goh

MEMBERS
Adrian Chan
Willie Cheng
Philip Forrest
Kevin Ho
Victor Yeo

PUBLISHER
Singapore Institute of Directors
#11-03 Capital Tower
168 Robinson Road
Singapore 068912
Tel: +65 6422 1188
Fax: +65 6422 1199
Email: secretariat@sid.org.sg
Website: www.sid.org.sg

We are now on LinkedIn

EDITOR
Yang Wai Wai

EDITORIAL COORDINATOR
Sue Anne Kuek

DESIGN
Epiphany Design

PRINTER
Entraco Printing Pte Ltd

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How Boards Can Enable Dual Transformation

By **SCOTT D. ANTHONY and RACHEL LEE**

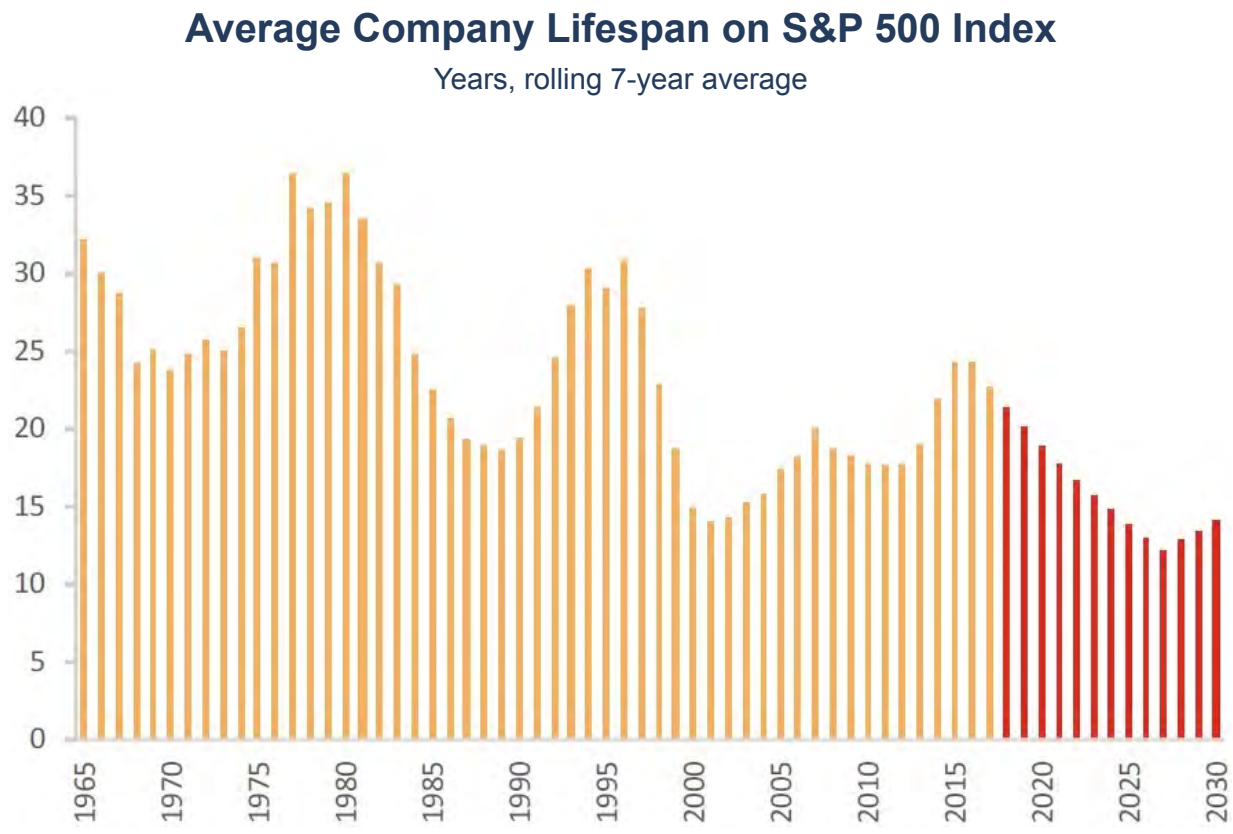
In today's disruptive world, transforming an established company requires a dual focus on repositioning today's business *and* creating tomorrow's growth business. To succeed, companies should leverage and synergise their capabilities to both rejuvenate and reinvent themselves.

The pace of change is accelerating, and established companies are finding it ever more difficult to keep up. In the mid-1990s there were more than 7,000 listed companies on US exchanges; today that number has halved. The lifespan of companies on the S&P 500 index was 60 years in the 1950s. Research by Innosight projects this will drop from 23 years today to 12 years in a decade. (See graph, "Average Company Lifespan on S&P 500 Index").

Incumbents must fend off hordes of "unicorns", rapid-growth, privately-held companies worth more than US$1 billion (S$1.3 billion). CB Insights research highlights more than 300 of such creatures worldwide, including more than 100 in Asia. And, of course, all of this is happening in a macroeconomic maelstrom of populism and trade wars.

The myth of the unicorn

Another tale can be told. Despite all the hype, the rate of entrepreneurialism is actually *decreasing*.



Source: Innosight 2018 Corporate Longevity forecast https://www.innosight.com/insight/creative-destruction/

Fewer people are starting up new companies and – contrary to popular misconception – those ethereal millennials want good, stable jobs at good, stable companies.

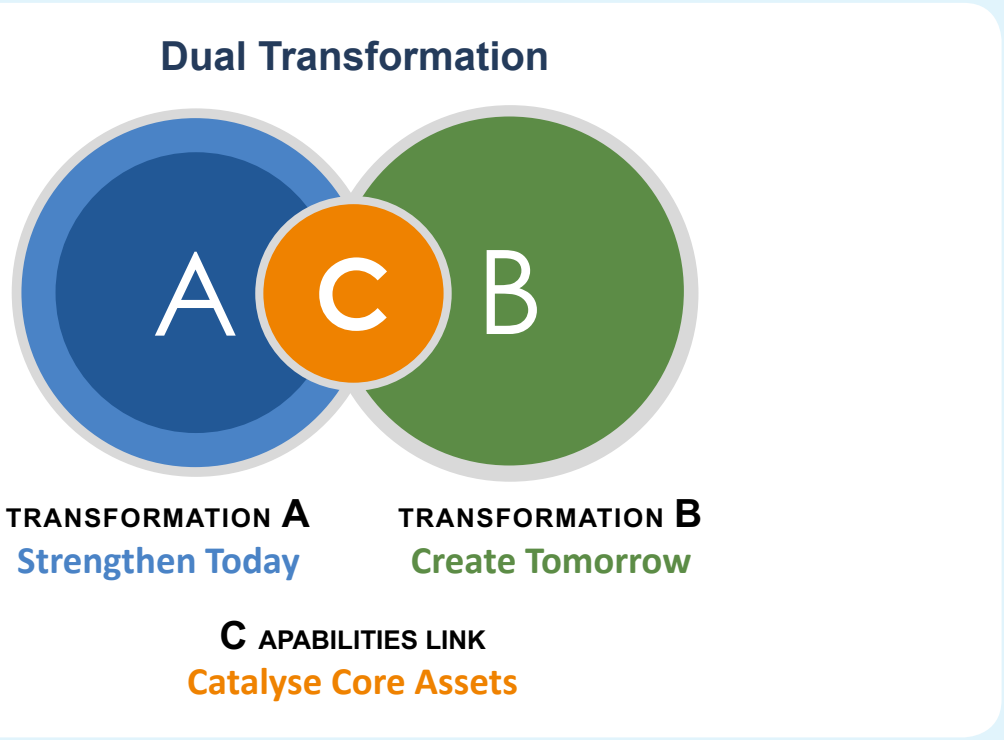
The primary driver of the decrease in company lifespan is acquisitions. The big are getting bigger. The strong are getting stronger. Market concentration and profit margins are both higher than ever.

Big is back. We can forget about the unicorns. Most of them end up selling out to big companies. And don't forget how anomalous unicorns are. Research by Bain & Company shows that only one out of every 500 startups succeeds in a material way. In contrast, one in eight efforts by established companies to create meaningful new ventures succeeds.

So, what does an established company do to reinvent and re-establish itself in this brave new world? The title of the recent book, *Dual Transformation – how to reposition today's business while creating the future*, by Anthony, Gilbert and Johnson, provides a path.

"Transformation" means a fundamental change in form or substance. Transformation is not about a company doing what it is currently doing better, faster, or cheaper. Rather, transformation is the organisational equivalent of a caterpillar becoming a butterfly.

The "dual" in the title suggests that transformation should not be a monolithic effort. Companies are not doing one thing. Rather, they are doing two things. This is illustrated in the box "Dual Transformation".



Transformation A

The first part of the transformation equation is repositioning today's business to make it more resilient. This is Transformation A.

Globally, think about how Netflix has shifted from sending third-party DVDs through the mail to distributing original streaming content over the Internet. This transformation has powered Netflix's explosive growth, with its stock price surging at a compound rate of 47 per cent per year since it announced its streaming offering in January 2007.

Locally, consider the Changi Airport Group (CAG). Changi Airport has come a long way since its genesis in 1981. In 2018, Changi Airport welcomed more than 65 million passengers, CAG's airfreight business crossed over 2 million tonnes and its concessions sales rose to S$2.5 billion. Its new Fast and Seamless Travel system allows for a seamless departure process from the new T4 terminal. This is Transformation A. We still go to the airport to travel from Point A to Point B, but CAG has transformed its operational processes to step-change efficiency and effectiveness.

Transformation B

The second part of the transformation equation – Transformation B – is creating tomorrow's growth business. Here a company catches, harnesses, and amplifies the disruptive energy threatening to upend its existing business and uses it to power a new growth engine.

A great global example of Transformation B is Amazon.com. Back in 2006, the e-tailer had a problem: its IT projects were taking too long. CEO Jeff Bezos commissioned a team to attack the problem. Not only did the team succeed, it stumbled across a new business where customers could rent computing capacity on demand. That business, Amazon Web Services, today produces more than US$25 billion in revenue and US$1 billion in net income.

Singapore's home-grown logistics provider YCH has created new growth in a similar fashion. In the early 1990s, YCH began nurturing its IT arm to build in-house tech-enabled supply chain solutions. When this matured, YCH spun off its IT unit into a customer-facing independent subsidiary, Y3 Technologies, with a newly recruited chief information officer to champion the effort.

Today, Y3 Technologies employs more than 250 people and manages more than 10,000 transport orders per day, with an annual flowthrough worth US$50 billion. More recent moves, such as the opening of a S$200 million Supply Chain City, continue YCH's broad transformation from a logistics company to a supply chain solutions provider.

The capabilities link

While it is called *dual* transformation, the transformation equation has a third component: the capabilities link.

Dual transformation is *not* unrelated diversification, where a company uses free cash flow from today's business to buy into disconnected businesses. Rather, the capabilities link allows companies to leverage on unique capabilities to do something that no startup company can easily replicate. The capabilities link is subtle and difficult to manage, but crucial for success.

Boards seeking to drive dual transformation need to ensure they reorient themselves from protecting yesterday to creating tomorrow. That means three specific changes:

- Separate planning and strategy. Planning is a short-term exercise to divvy up a budget. It is done "present forward." And it can lead to entrapment in a "planning prison", where yesterday's business is perpetuated, even when companies are aware of the need to change. Strategy must be done "future back." As Mark Bertolini, who led a dual transformation at US health insurance giant Aetna, said, "The CEO's responsibility is to create a stark reality of what the future holds, and then to begin to build the plans for the organisation to meet those realities."

- Recognise that often the biggest risk is inaction. Boards often have sophisticated means to measure, manage and mitigate risk. But, in times of disruptive change, the biggest risk is holding on to yesterday's model for too long. Eastman Kodak, Blockbuster Video, Blackberry, and numerous media companies serve as cautionary tales of the pain caused by an inadequate response to disruptive change.

- Touch the disruption. Senior leaders naturally have well-grounded intuition about today's business. Making sound decisions about tomorrow's business requires having first-hand experience with the technologies and business models driving transformational change.

Consider Singtel. In 2013 it announced plans to invest S$2 billion to acquire and scale new digital businesses. Today, its portfolio of mobile marketing, cyber security, over-the-top video, and big data analytics contributes close to S$2 billion in revenue. Not everything has succeeded, of course, but Singtel's steadfast commitment to transformation puts it in a more robust position despite increasing headwinds in its base business.

As part of its transformation journey, Singtel has made the continued commitment to expose board members and senior leaders to disruption. "We can always get any number of speakers to come out here to speak, and give the board any amount of literature," said Singtel's CEO Chua Sock Koong.

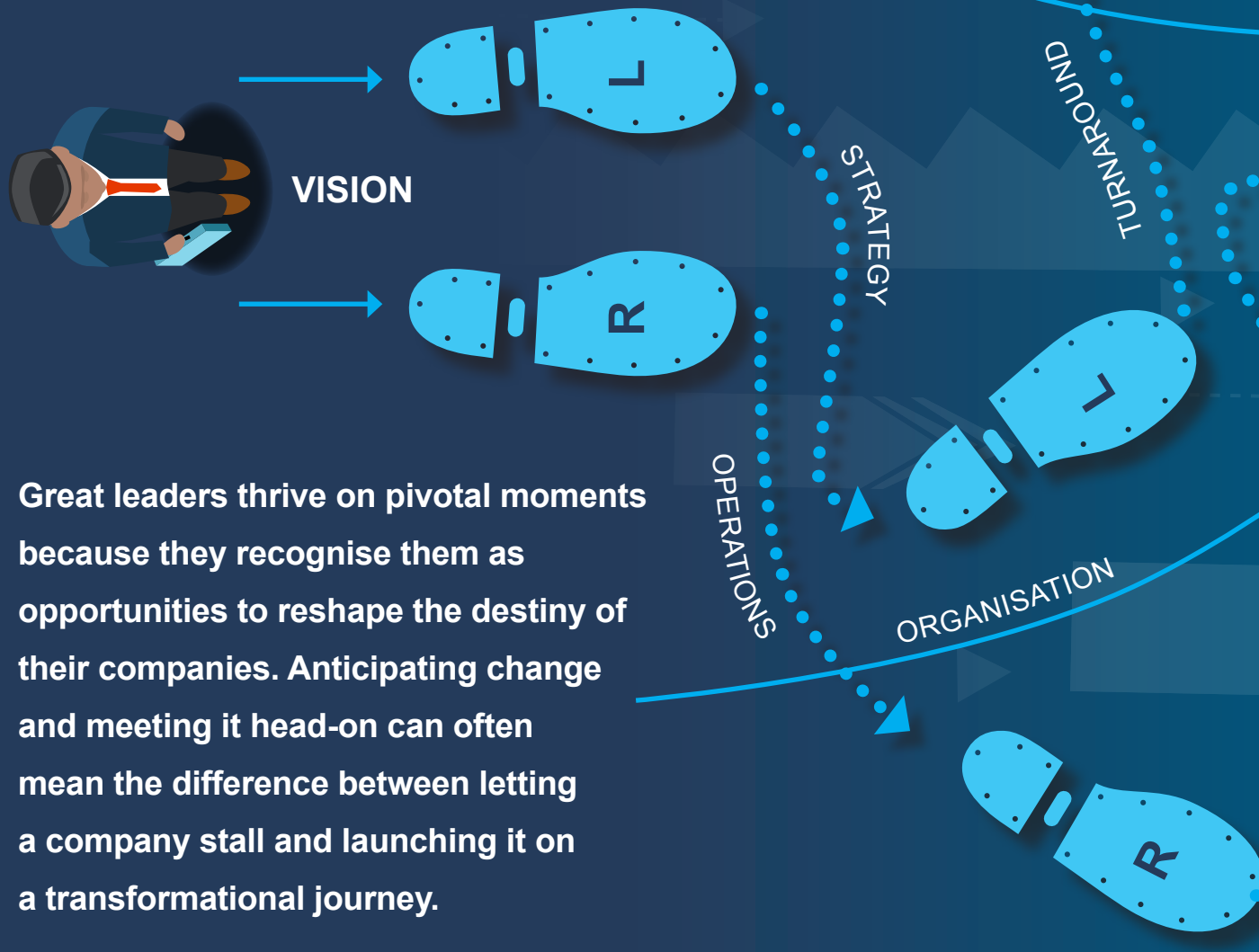
"But nothing beats going to the markets in which we operate, visiting the shops and talking to customers, or traveling to tech innovation hubs like Israel, Silicon Valley, or Boston to see what big tech companies and small startups are doing."

While today's tumultuous times pose a threat, local companies CAG, YCH and Singtel show that they also create tremendous opportunity. Forward-thinking leaders that appropriately navigate disruptive change can own the future, rather than be disrupted by it. ■

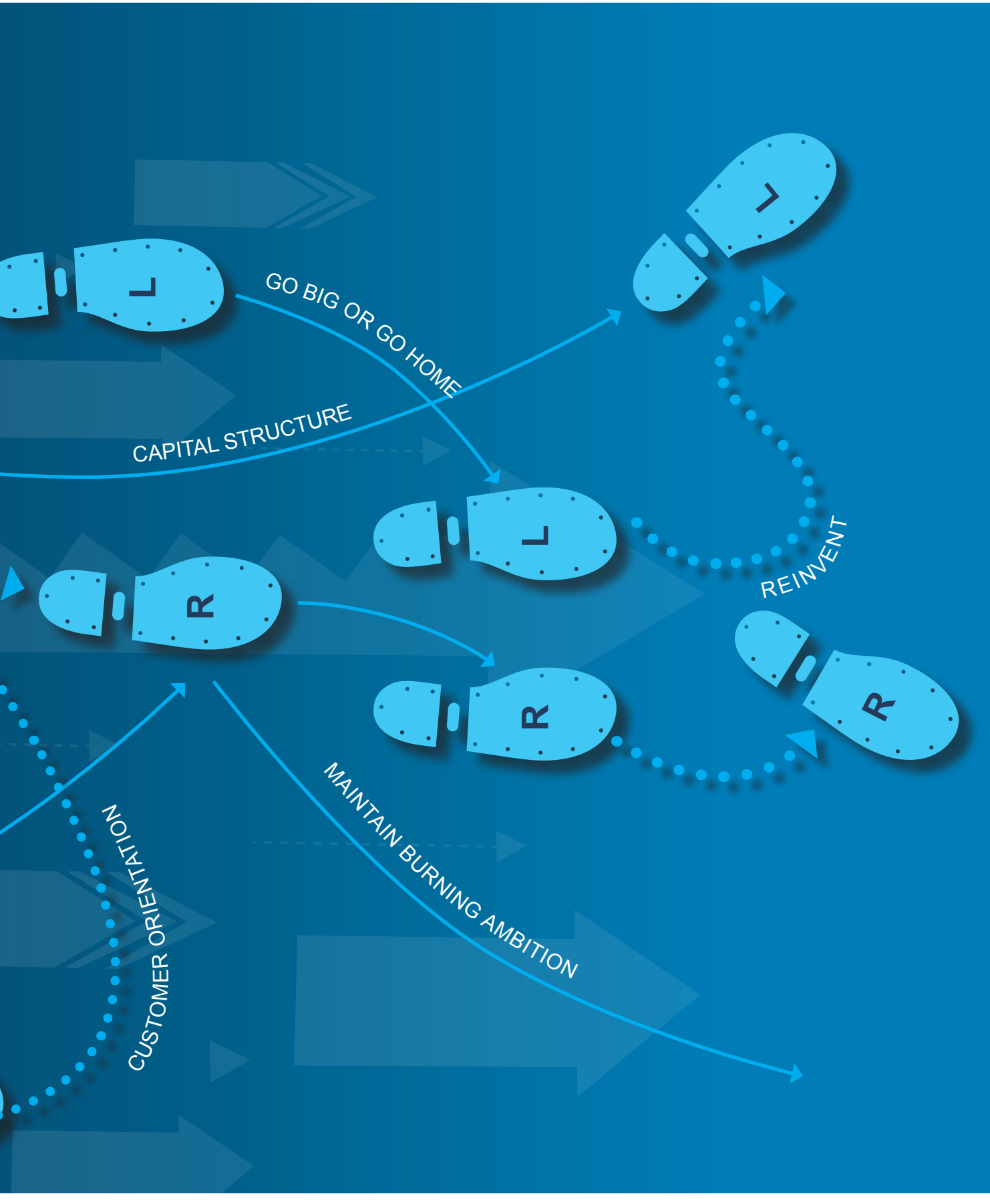
Scott D. Anthony is a Senior Partner, Innosight, and lead author of Dual Transformation, *and Rachel Lee is a Strategy and Innovation Consultant, Innosight.*

Choreographing Corporate Transformation

By **MANNY MACEDA, MICHAEL GARSTKA and CHARLES ORMISTON**



Great leaders thrive on pivotal moments because they recognise them as opportunities to reshape the destiny of their companies. Anticipating change and meeting it head-on can often mean the difference between letting a company stall and launching it on a transformational journey.


L
GO BIG OR GO HOME
CAPITAL STRUCTURE
L
R
L
REINVENT
R
R
CUSTOMER ORIENTATION
MAINTAIN BURNING AMBITION

The first step of a transformational journey is identifying the full-potential vision and devising the right plan for realising it. A clear purpose and approach enables the enterprise to make the deep commitment to investments, capabilities and change that result in outperforming competitors and achieving sustained growth.

"Transformation" here is defined as a cross-functional effort to alter the financial, operational and strategic trajectory of the business, with a stated goal of producing game-changing results.

Defining a bold vision for how the company must change is one thing. But it is equally important to recalibrate this ideal vision and pace of change by assessing what the organisation can realistically undertake to align its leadership, manage change and work through the disruption.

Getting buy-in

Balancing these strategic and organisational imperatives provides direction for the change and determines the velocity and magnitude. Finding the right balance will calibrate the effort to deliver results. Securing management and investor buy-in will help establish early accountability and seed the kind of broad organisational and cultural evolution that will make the change last.

Creating the right strategy typically relies on the answers to three related questions.

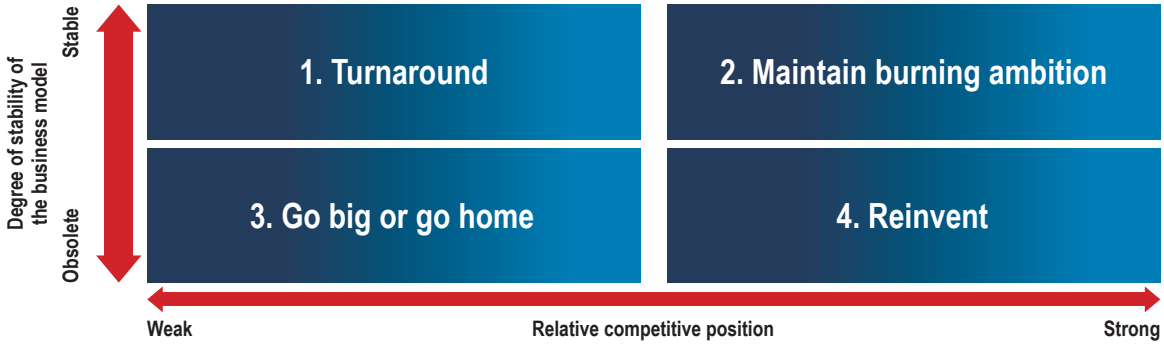
1. What kind of transformation is needed?

A company's competitive position and stability will affect the type of transformation strategy. Ironically, defining the right transformation can be easier for a company in distress than for a company that is still evolving and growing. Companies that can anticipate change before growth slows afford themselves more time and flexibility to build an effective transformation strategy. Without an urgent need for change, determining the right timing and scale of a transformation can be less than obvious. The solution may be both hard to discern and difficult to sell within the organisation.

Corporate leaders should assess how far the company's business model should shift to sustain or revive its growth. Depending on the current business environment, this would help determine the magnitude of the required change and how quickly it must unfold. This assessment will ultimately set the stage for the transformation effort by suggesting how it should be sequenced and managed most effectively. It will also help build consensus within the organisation by rooting the effort in clear, fact-based analysis.

Companies tend to fall into four broad quadrants that suggest what type of transformation a company may need (see box. "Type of Transformation Required").

Type of Transformation Required



Quadrant 1. Turnaround

The business models of these companies remain relevant, but their financial performance is deteriorating – often drastically. The answer is typically a tightly focused turnaround to fix critical problem areas. The magnitude of change may be intense, the speed of execution important, but the effort is targeted on specific issues, not a company-wide transformation.

To illustrate, Singapore Airlines competes against several low-cost carriers across the Asia-Pacific region and Middle Eastern "superconnectors" on longer-haul routes. Its single-hub connectivity-focused network is threatened with disintermediation by customers' growing preference for point-to-point travel. To address these risks, the airline has developed a credible low-cost offering under its Scoot affiliate, launched multiple direct services to destinations, and invested to maintain a differentiated, premium brand and onboard product.

Quadrant 2. Maintain burning ambition

These companies are still going strong, with ample staying power and a solid strategy. But their leaders are restless and ambitious, constantly striving to reach full potential. By contemplating transformation from a position of strength, they have both the time and resources to take the most thoughtful approach. While these tend to be low-scale, slow-motion transformations, they can often provide crucial course adjustments to keep the company pointed where it needs to go.

A good example of this type of transformation is the evolution of Keppel FELS from a Singapore-based oil-rig manufacturer to a global, multilocation leader in the oil-rig sector.

Quadrant 3. Go big or go home

These companies are essentially rescue situations. In the worst cases, the combination of a deteriorating financial condition and a broken strategy imposes a single choice: Go big or go home. Transformation amounts to a high-level, high-velocity effort to survive – typically a full-scale programme to rebuild the company from the ground up, on a strict timetable.

For example, a specialty retailer in Southeast Asia had grown nicely, but had allowed significant complexity to creep into the business. In a relatively short span of time, it needed to rationalise store formats, close down outlets and even exit certain countries to halt losses and focus on a smaller but more profitable business.

Quadrant 4. Reinvent

Companies here are slowing down as their business models approach maturity. Market changes may require a strategy reset soon, yet their relative financial and competitive strengths allow their leaders to take a measured approach to transforming their companies for the future. Though the competitive situation may ultimately require sweeping change, these companies have the luxury of time to diagnose and execute methodically.

DBS Singapore is a solid example of a company that has taken the digital challenge head-on, dramatically refocusing on customer experience while simultaneously creating more efficiency in its overseas business units.

2. What is the right strategy?

Each effort to transform a company requires its own set of steps. The five core pillars common to each company are: strategy, operations, organisation, customer orientation and capital structure.

In an ideal world, any transformation should start with a thorough analysis to establish the right core strategy. Frequently, however, other capabilities require more immediate attention, particularly when a company's financial situ¬ation is dire. The balance sheet may need immediate attention or the organisational structure may need to be recalibrated quickly to meet a particular threat. That means coordination is at a premium, and resetting strategy would have to occur in parallel with other initiatives.

The right strategy also depends heavily on the transformation's unique risk profile, which reflects the company's distinct blend of organisational realities. Are the key shareholders, CEO and management team aligned on the need for sweeping change? Is there agreement on what needs fixing? Often, a company's culture is deeply resistant to change, and existing incentives support the status quo. The management bench may be too thin to implement the change effectively, or the organisation may be too overburdened to tackle new initiatives.

Balancing the transformation's ideal sequence with its real-world organisational context is critical. It may mean securing top leadership's approval by producing early wins in a particular area. It could require replacing managers in key roles with others who are capable of executing the required change, before launching a more comprehensive set of initiatives to serve a new strategy.

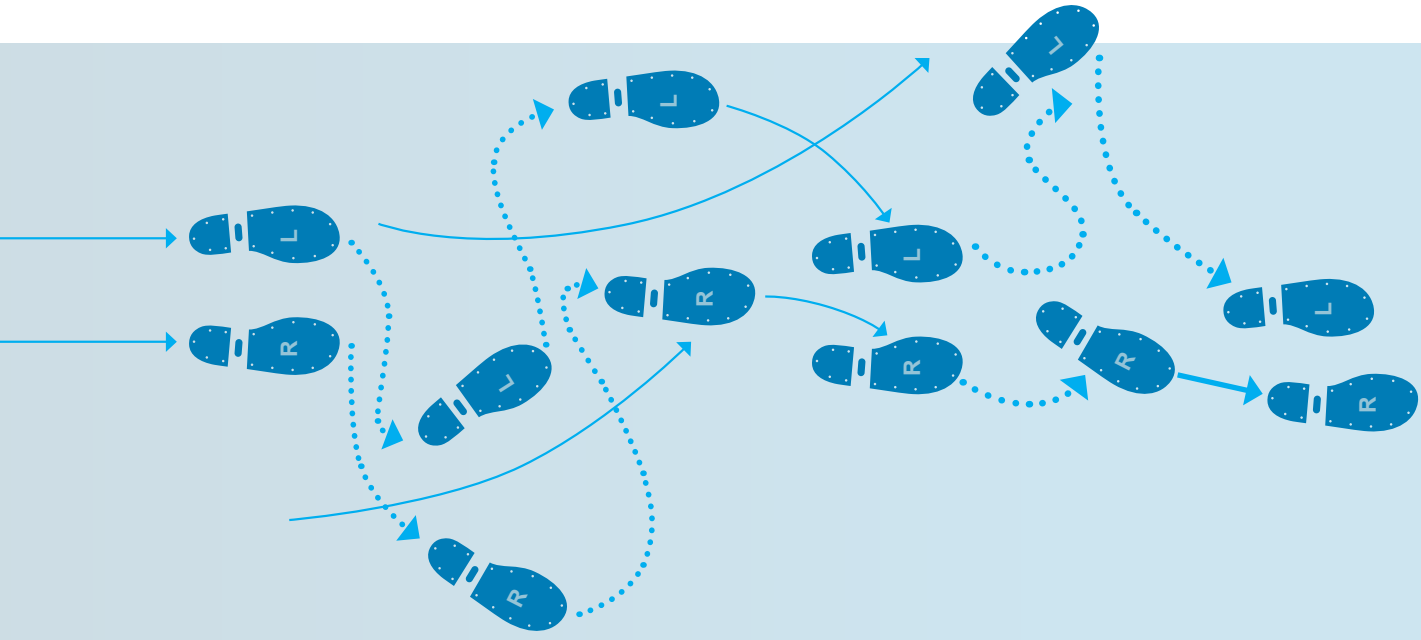
There is no one right answer for how to choreograph a transformation. In a step-by-step approach, getting the sequence right can be crucial.

3. How should change be managed?

As important as determining the right strategy is deciding how the transformation should be managed. Depending on the company's culture and the magnitude of the effort ahead, the solution tends to fall along a spectrum. At one end is a fully staffed and empowered transformation office run by a lead transformation executive. At the other, companies work directly through the existing line organisation. In the middle is a hybrid: a less powerful coordinating office led by a senior manager who devotes a significant portion of his or her time to issues like tracking results and resolving disputes.

The turnaround at the specialty retailer required a central programme office led directly by the CEO. It met regularly to address the most important milestones, helping clear roadblocks, allocate resources or change course as needed. Part of the discipline was ensuring that the initiative owners felt accountable for the changes.

Once the bleeding was halted and a clear vision had been set for the business, four teams directed the effort. They focused on different aspects of the new business model: to win in retail with the right store formats, to deepen penetration and loyalty in the credit business, to generate regional synergies in the business, and to raise the bar in back-office enablers to support the business. A successful



listing a few years later was a testament to the turnaround effort.

Managing change through the normal chain of command can work under some circumstances, particularly at relatively healthy companies with a culture of decentralisation. If the effort is more of a turnaround involving certain parts of the business rather than a full transformation, managing through the line may be less disruptive. Or if the line management is strong and cohesive enough, top leaders may be able to count on division heads to work together to deliver the right results.

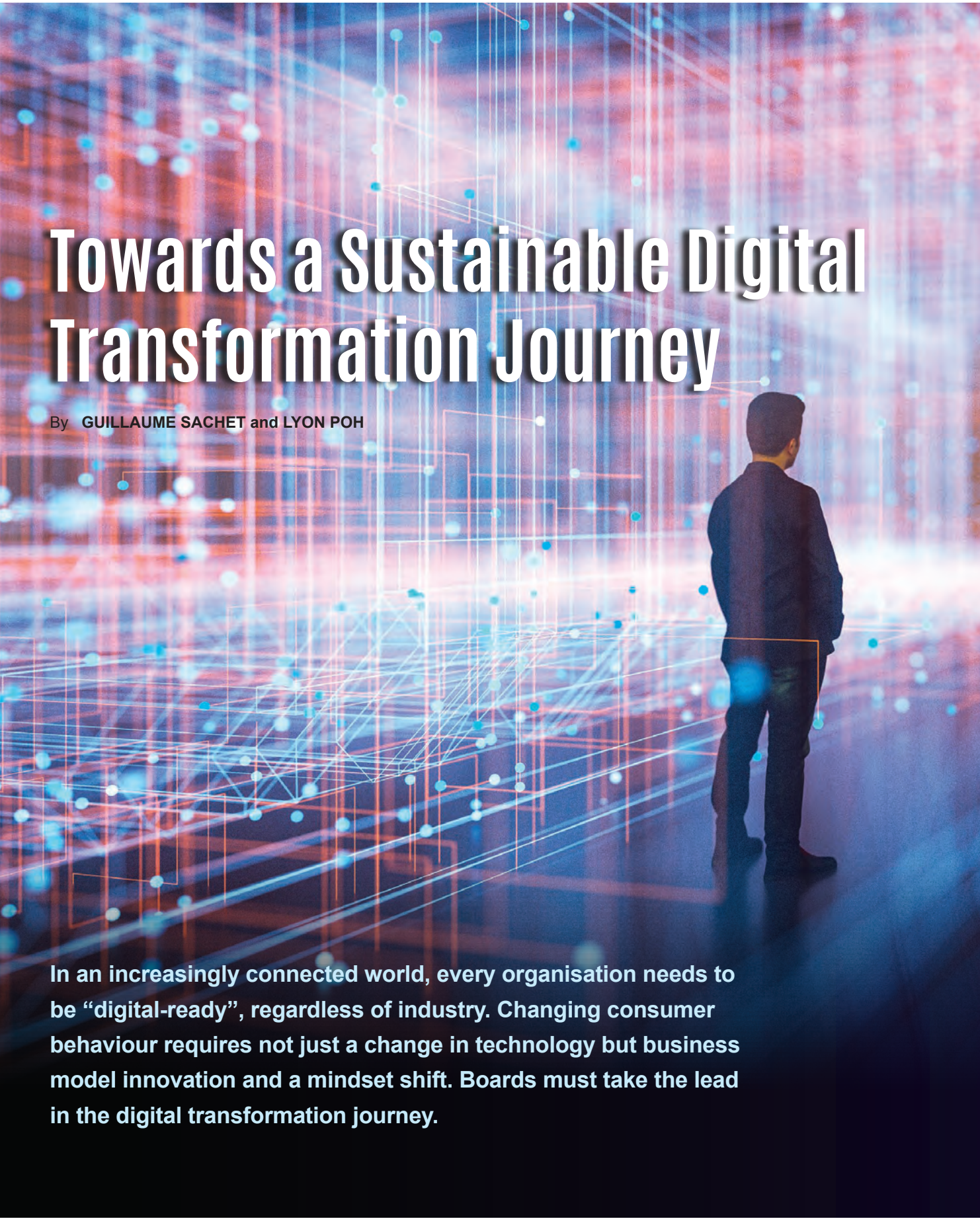
But as the scope and complexity of the transformation grow or the pace of change is "forced" by financial circumstances, the need increases for a higher degree of integration and control. Large transformations very often involve redesigning the line organisation itself, which makes it impractical to work within the existing structure. It is also hard to ask line managers to restructure their businesses and manage for day-to-day results at the same time.

Finally, coordination is essential. When one element of a broad transformation overlaps with others, a stronger integrated office is often best positioned to manage those dependencies.

In general, successful full-scale transformations require a separate organisation led by a highly skilled executive and a cross-functional team of the company's most creative and talented managers. They should be separated from the line for a defined period and charged with orchestrating the transformation agenda, coordinating results and resolving disputes. That frees up the rest of the business to run on a day-to-day basis with minimal disruption.

Every company's circumstances and culture are, of course, unique. There is no cookie-cutter solution for how a company choreographs and manages a broad, multifaceted transformation. But the right sequence and structure will always flow from a thorough analysis of the company's health and the degree to which the business model must shift to remain (or become) world class. ■

Manny Maceda is Bain & Company's worldwide managing partner, based in San Francisco. Michael Garstka is a Bain partner based in London, and Charles Ormiston is a Bain partner in Singapore. They are leaders of the firm's Global Transformation Group.



Towards a Sustainable Digital Transformation Journey

By **GUILLAUME SACHET and LYON POH**

In an increasingly connected world, every organisation needs to be "digital-ready", regardless of industry. Changing consumer behaviour requires not just a change in technology but business model innovation and a mindset shift. Boards must take the lead in the digital transformation journey.

Disruption is everywhere. Yet, in a survey of 4,000 chief information officers (CIOs) and technology executives by KPMG and Harvey Nash in 2018, 55 per cent of the organisations rate their IT/business alignment "moderate" or worse and 78 per cent of CIOs believe their digital strategy is only moderately effective, or worse.

New technologies in themselves do not improve performance; it also requires the ability to incorporate new technologies into existing or redesigned business processes. The study shows that those companies which manage the balance of technology integration into business processes with the customer at the core of their digital strategy are significantly more profitable.

Becoming a connected enterprise

Consumer behaviours, data and technology have transformed the way an enterprise needs to be structured and increasingly connected both internally across the value chain and externally to the ecosystem. High-performing organisations recognise that to become truly customer-centric, and deliver experiences that create value for both the customer and the company, they need to get connected (see box, "The Connected Enterprise Framework").

That means connecting to their customers with compelling value propositions, opportunities and interactions. It also means connecting their front, middle and back offices to execute the customer growth agenda effectively and efficiently while also connecting and aligning with their channel and business partners to jointly deliver on commitments to customers.

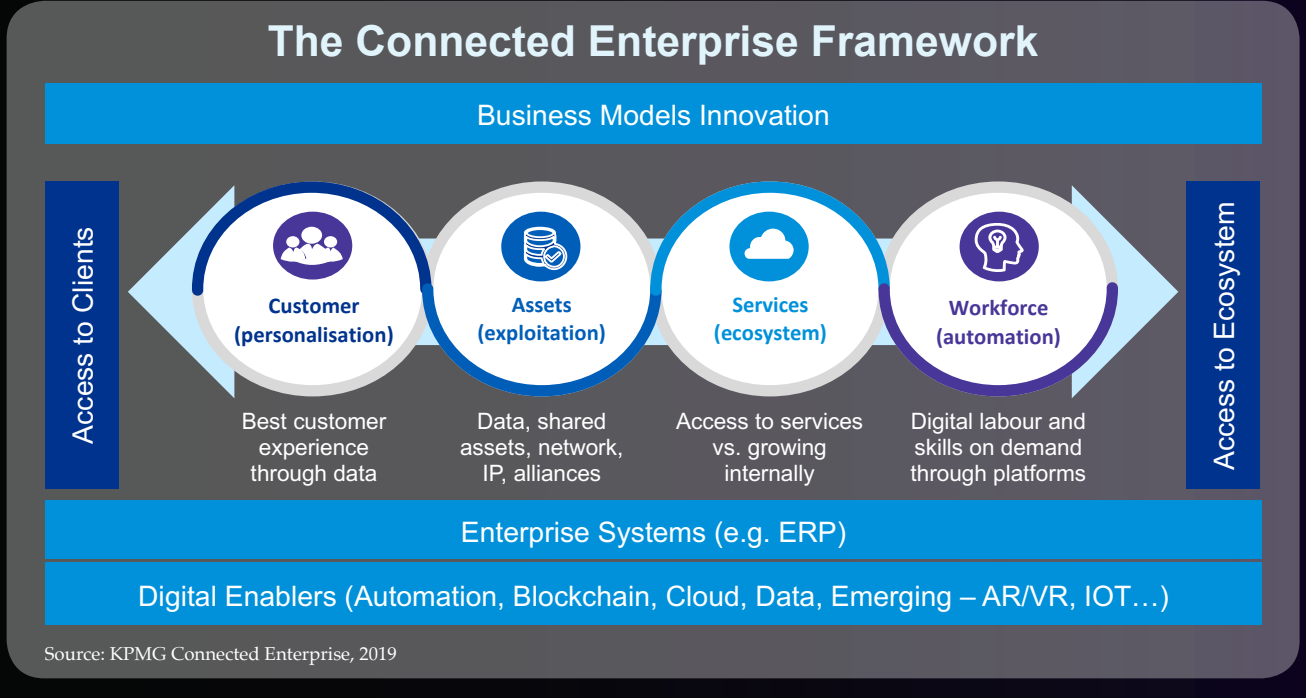
Lastly, it means staying connected to market dynamics and digital signals. Companies get disrupted by new, agile players which spread across multiples sectors (e.g. Grab, Alibaba, Amazon, Google) and create ecosystems, blurring the traditional lines between industry verticals. To survive, companies need to either create their own ecosystem or connect to existing, friendly and complementary ecosystems.

Changing consumer behaviours

In a survey of 25,000 consumers across the world in 2018, KPMG noted that 41 per cent of consumers would rather lose their wallets than their phones. One out of three millennials reportedly admit to checking their phones every five minutes without prompt, and almost three out of four consumers use their mobile devices to pay for goods and services at least once a month.

The new customer experience requires personalisation (both offline and online) from enhancing "know your customer" capabilities to making individual recommendations on products and services.

In a connected world, innovation is not just about technology. It is about transforming existing business models and/or adopting new models. It is about redesigning existing business



Source: KPMG Connected Enterprise, 2019

assumptions and creating a digital business platform to get more connected. Companies must engage in an innovation-led transformation rather than a technology-led automation, and those that are able to make this transformation will benefit (See case examples on Singapore Airlines and DBS Bank).

New technologies – artificial intelligence, blockchain, cloud, data and emerging tech, such as virtual reality and the internet of things – are part of the new jargon, and becoming the new normal. These so-called "ABCDE" technologies enable the digitisation of processes. Enterprises can now connect across the fulfilment process from demand to supply seamlessly (e.g. straight-through processing, data driven business, direct market entry, speed to market) using data as a new currency.

Developing digital skills

Approximately 65 per cent of IT leaders report a lack of skills holding back their strategies. However, it is not merely a case of hiring and retaining talent and implementing technologies, but also a change in attitude towards digital strategy. Automation, especially in testing, service desk and development, is one way.

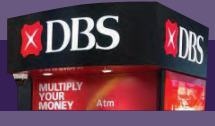
Singapore Airlines

When Singapore Airlines (SIA) decided to expand its KrisFlyer loyalty programme to enable customers to use their airline miles for everyday spending at merchants globally, it faced dual challenges. On the one hand, customers wanted more redemption options at their finger-tips without having lengthy waits for redemption requests. On the other hand, merchants and loyalty partners were not willing to invest in high operating and administrative costs.

The KrisPay application that was eventually rolled out uses blockchain technology to consolidate everyday transactions seamlessly through a common platform. The loyalty wallet solution provides inter-operability across multiple loyalty programmes, enabling quicker financial reconciliation and settlements, plus robust security features.

With the app, customers can use their airline miles to make everyday purchases across multiple partner merchants and earn miles as they make transactions. And merchants benefit from ongoing marketing programmes to a wider customer base.

DBS Bank



To cut down on the processing time for multiple, high volume system access requests, DBS Bank employed a robotic process automation, leveraging on artificial intelligence. This involved automating user access management processes, such as modify and remove user access, and employee account creation.

The bank used to receive thousands of system access requests a day. Post-automation, manual processing by employees was cut down significantly, with turnaround time reduced from five days previously to one day.

By automating the process, administrative staff could be redeployed to other value-added tasks, resulting in cost savings.

Mindset change is also critical for digital transformation to succeed. How do organisations elevate the digital quotient across the board? Training (internal and external), brown bag sessions, conferences and site visits are means to bring employees to the next level of digital literacy. The effort needs to be coordinated, systematic and coherent, driven jointly by the human resources and digital teams, supported by management and the board.

These days, digital literacy is no longer a nice-to-have, but a must-have. In the spectrum of digital talent within an organisation, there are a number of newly-coined expressions to describe the extent to which the workforce has embraced digital change. The box, "Digital Talent", describes some of the new terminology.

Building the right equilibrium within the organisation as the profiles of the employees evolve is certainly not an easy task. It requires the development of a new culture built on historical successes, knowledge and expertise and combined with new values around managed risk, agility and focus on learning rather than failures.

Operational risk and compliance

How organisations leverage data is increasingly becoming a source of competitive advantage. But while consumers are increasingly sharing their data, organisations must build trust through a value exchange ("You give me data, I give you a better user experience"). Without trust, high-profile court cases around data misuse will continue, governments will increasingly tighten their data privacy legislation, and boards will continue to focus their attention on operational risk and compliance.

That said, however, a focus on data security, rather than on the growth agenda and digital transformation, are potential bumps in the digital transformation journey. Of the CIOs surveyed, 33 per cent reported a major cyber attack in the last two years, leading to more investments in cyber security. With cyber risk on the rise, boards may focus on compliance and take their eye off the ball on performance.

In parallel with data privacy issues, artificial intelligence and robotic process automation continue to raise ethical questions as they get

Digital Talent

The different stages of digitisation among a company's workforce.

Term	Definition
Digital dinosaur	Employee who struggles with adopting new technologies.
Digital evangelist	Employee who builds a critical mass of support for a given technology, and then establishes it as a technical standard.
Digital migrant	Employee who was born before the digital revolution but has managed to embrace technology and become digitally savvy.
Digital native	Employee who was born after the digital revolution and has always used digital technologies.
Digital pioneer	Employee who was born before the digital revolution but has embraced technology and become an evangelist of digital tech.

more sophisticated. The technologies foster efficiency and growth as they increasingly take over human tasks. However, human control remains critical, especially to govern these innovations. How do we solve the growth versus governance conundrum?

To address these issues, and more broadly to manage digital transformation, companies have started to add chief digital/data officers (CDOs) to their leadership teams, in addition to upgrading their leadership teams' digital quotient. Research shows that organisations with a CDO, either in a dedicated or acting role, are over twice as likely to have a clear and pervasive digital strategy as those without one. Yet, the same survey indicates that only 11 per cent of organisations appointed a dedicated CDO in 2018.

Every board member a digital director

The new frontier is now for the board of directors to follow. Directors will play a critical role in the success of digital transformations moving forward. Boards need to understand and support digital transformations, while ensuring the proper governance of the corporation.

Hence, corporate boards need to adapt to digital disruption by adding data and digitally savvy directors to their traditional auditors and business savvy directors. To elevate the digital literacy of the board, companies will need to first embed digital evangelists at the board level. These evangelists would be digital migrants or digital pioneers. Going forward, companies will also need to add digital natives to the board mix. (See box on "Digital Talent").

More importantly, over time, the digital literacy must be widely spread across the board, and not limited to selected digital directors as companies embark in complex and evolving digital transformations. With improved digital literacy, boards would be in a better position to challenge existing business models to anticipate or mitigate disruption, and become a "sounding board" for company executives.

Directors who understand new business models will be able to assess more accurately financial projections linked to these new business models during strategic planning and budgeting exercises. This will enable boards to make informed decisions on investments into new or emerging technologies, using valuation models adapted to the new economy, rather than traditional models (e.g. DCF analysis, EBITDA multiples).

To structure those actions, boards should consider having, in addition to an audit committee and remuneration committee, a digital committee. The digital committee, rightly staffed, would help supervise and monitor digital transformation without crippling the companies through heavy processes and reviews. It would act as an enabler (if not an accelerator), rather than a controller of digital transformation. The digital committee would also help with more sensitive issues, such as data privacy or ethical questions raised by artificial intelligence and robotics, providing an independent and informed view on those questions.

Digital transformation is a journey, not an end-point. For enterprises to become connected enterprises and drive a sustainable digital transformation, they need to innovate their business models, invest in the right technologies, adapt their processes and hire the right people or "up-skill" their employees. This must be coordinated and overseen by the right processes, adapted to the fast pace of digital disruption, and an agile and nimble governance from management to board of directors. ■

Guillaume Sachet and Lyon Poh are both Partners at KPMG Consulting.

Understanding Initial Coin Offerings

By **ONG SIN WEI and TIAN SION YOONG**

Initial coin offerings (ICOs) and token generation events have radically changed the way some businesses raise capital for business development and expansion. While their rapid uptake has so far been confined to niche operations, the potential of these new forms of fundraising is vast.

The period from December 2017 to June 2018 witnessed the dazzling rise of ICOs as a way in which companies raised funds. Over US$19 billion (S$26 billion) was raised over this period, according to CoinSchedule.com, which coincided with peak prices of popular crypto currencies such as bitcoin at around US$19,780.

With the collapse of prices of crypto currencies, ICOs raised US$4.3 billion from the second half of 2018 to February 2019.

Blockchain technology and ICOs

The evolution of crypto currencies and digital tokens is underpinned by blockchain technology. A blockchain is essentially a growing list of digital blocks consisting of records and data of transactions that are linked through encrypted code.

An ICO involves a company raising funds through the sale of digital tokens carried out on the internet or other widely used technology platform. The company invites prospective buyers to make offers to purchase the digital tokens made available for sale pursuant to the ICO.

The company will set out technical details of the company's blockchain platform, how the tokens are to be used on such platform and other rights or benefits associated with the tokens, information on the company's management and advisers, as well as the terms of the ICO (such as the number of tokens to be sold, how proceeds would be deployed, and allocation of tokens to management, developers and reserved pool). This technical whitepaper may be updated from time to time, and is intended to be non-legal in nature.

The company will then determine the allocation of digital tokens, to be sold and transferred to the successful buyers' digital wallets. Successful buyers will pay for their tokens either in crypto currency (most commonly, in bitcoin or ethereum) or fiat money. If the company's digital tokens are listed by the company on a crypto exchange, buyers can trade their tokens on such a crypto exchange.

The price of the tokens could appreciate if there is demand for such tokens; thereby resulting in an increase in value of the tokens held by the company as reserved pool or by founders and management.

Types of token offerings

ICOs can generally be classified as utility token offerings (UTOs) or security token offerings (STOs).

The regulations and laws could vary among different jurisdictions. In some jurisdictions, an UTO would be largely unregulated, while an STO would need to comply with existing securities laws. There are jurisdictions where both UTOs and STOs are regulated, and the issuer will have to comply with the relevant regulations and laws in order to undertake either an UTO or STO.

In an UTO, there is no dilution of equity or control in the company due to the sale of the utility tokens. Further, there would be no economic exposure to the economic benefits (such as revenue or profits) generated by the company and/or its blockchain platform. Utility tokens typically provide access to a specific product, network, platform or service of the company that is built on the blockchain platform. These could be an ecommerce market place, a hospitality company, a ride hailing company or co-working space that only accept its respective digital tokens as a form of payment.

In an STO, the company is raising funds through the sale of security tokens. In many jurisdictions, security tokens are regulated as securities or structured financial instruments. Typically, security tokens confer rights to economic benefits generated by the company and/or its blockchain platform. Holders of security tokens are typically not considered to be shareholders of a company but would share the economic benefits generated by the company, with shareholders of the company.

Potential challenges

A company seeking to undertake an ICO should consider the tax treatment which may vary between different jurisdictions in relation to funds raised. Where the ICO involves the company selling utility tokens, the funds raised would likely for tax purposes be regarded as revenue in nature and taxed accordingly. Further, goods and services tax may also be charged.

Funds raised by a company via an ICO involving security tokens would likely for tax purposes not be regarded as revenue in nature, given that security tokens are more akin to securities/structured financial instruments.

Prices of major crypto currencies (such as bitcoin and ethereum) were subject to wide fluctuations in 2018. Where the company receives funds in crypto currency in respect of its digital tokens sold in its ICO, the company may wish to consider deploying a hedging strategy.

With the advancement and increasing usage of blockchain technology, an ICO could be an effective way for the company to raise funds for

ICOs in Singapore

Singapore is regarded as an ICO-friendly country. According to a study conducted by the Singapore Venture Capital & Private Equity Association in February 2019, Singapore ranked third globally in terms of cumulative amount of funds raised from ICOs, with the US and Russia in first and second place, respectively. Approximately US$1.8 billion was raised in Singapore between 2014 and July 2018.

Singapore does not presently have any legislation specifically regulating ICOs, unlike Japan and Thailand which have issued regulations for ICOs.

The Monetary Authority of Singapore (MAS) has however issued a Guide to Digital Token Offerings in 2017, which was updated on 30 November 2018 and 5 April 2019 to address new variations of ICO structures and digital tokens that have emerged in the market since the first edition.

The Guide provides a roadmap for the application of existing financial regulations administered by MAS to offers of digital tokens, or the carrying out of digital token-related activities, in Singapore. However, the provisions of the Guide are "not exhaustive, have no legal effect and do not modify or supersede any applicable laws, regulations or requirements".

An ICO involving the sale of digital tokens structured as utility tokens would not be subject to securities regulations in Singapore. Where the digital tokens are structured in the form of securities, the ICO must comply with existing securities laws in Singapore aimed at safeguarding investors' interest. These include regulations pertaining to prospectus requirements, and requirements to hold intermediary or exchange operator licences. Further, intermediaries involved in digital token-related activities are also required to comply with existing rules on anti-money laundering and countering the financing of terrorism.

its blockchain platform project and to receive such funding without diluting equity or control.

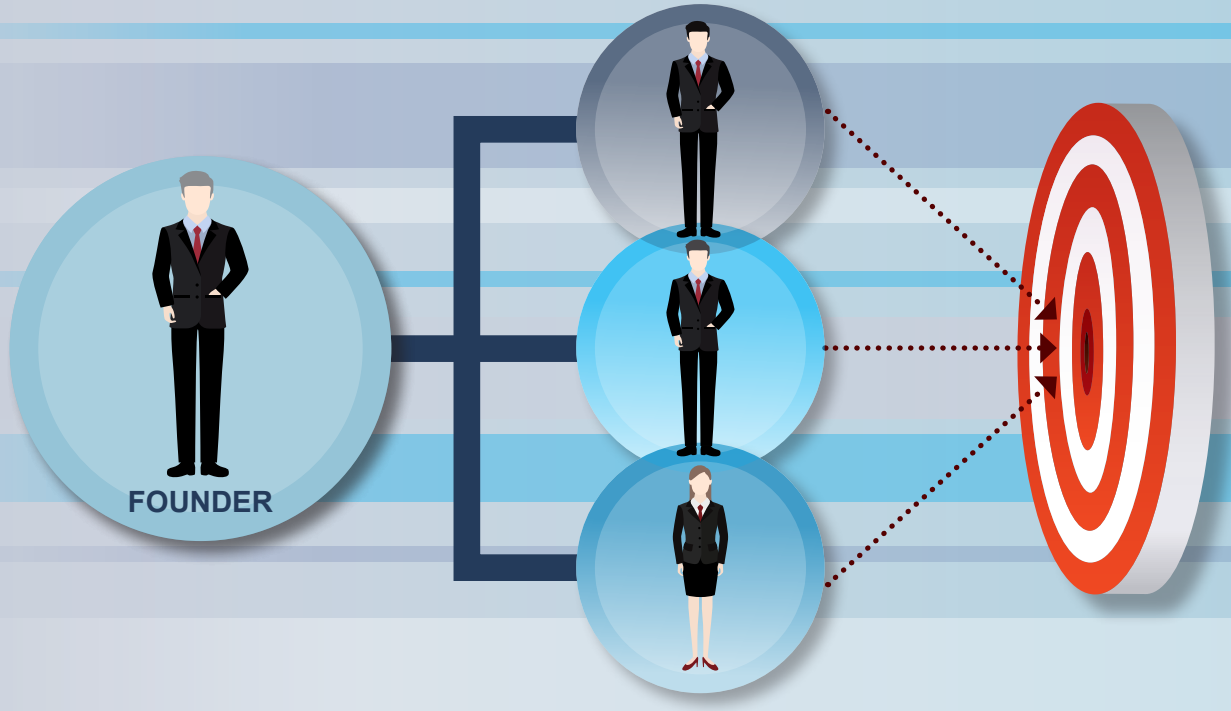
Blockchain technology has the potential to fundamentally transform payment transactions, how business is conducted, how companies raise funds, how banks work, and how information gets stored and shared. Digital tokens offer a chance to lower costs, reduce risk and enhance efficiency. Unchecked, however, crypto currencies and digital tokens can cause extensive disruption to systems and processes in the financial ecosystem, magnifying losses and gains exponentially.

Regulators have to work hand-in-hand with developers of the blockchain technology and its participants to ensure checks and balances in the transformation of financial systems. ■

Ong Sin Wei is the Co-Head of the Start-Up/Venture Capital Practice and a Partner in the Corporate/Mergers & Acquisitions and FinTech Practices, WongPartnership LLP, and Tian Sion Yoong is a Partner in the Financial Services Regulatory, the Derivatives & Structured Products and the FinTech Practices, WongPartnership LLP.

Professionalisation of Family Firms

By **MORTEN BENNEDSEN and BRIAN HENRY**



One reason generational transition is so difficult in Singapore and elsewhere is because it often involves the process of professionalisation. Many founders manage their firms without any visible leadership structure and with a very flat organisation. The next generation cannot copy this and thus professionalisation becomes a key challenge in generational transition.

Generational transition is challenging for family firms. In a 2015 INSEAD study published in the *Journal of Corporate Finance* in 2015, succession trends were surveyed in 217 publicly traded family firms in Southeast Asia. On average, the family businesses saw their shareholder value halve during a 10-year period of generational transition. The average value of the 47 Singapore companies in the survey rose by 22 per cent before a succession but dropped by 18 per cent afterwards.

What is professionalisation?

Professionalisation is the process that aims to transform the firm from being dependent on a single key figure (the founder) to having an organisational structure. In this new structure, management resources at all levels are driven by a common vision that is transparent and accountable. And owner-managers delegate real decision-making authority to a group of highly capable managers.

Key aspects of what is involved is summarised in the diagram, "The Fundamentals of Professionalisation".

The Fundamentals of Professionalisation

Objective	Rationale	Benefits	Drivers	CEO Success	Role of Board
• Build and exploit leadership resources at all levels	• Threats, internal and external • Opportunities	• Recruit talent • Reduce key risks • Attract investment	• Strategy • Leadership team • Board structure	• Robust • Respect • Not family adviser	• Execute • Family adviser • Protect CEO

Professionalisation can be triggered by threats and opportunities:

- **External threats.** These include lacklustre financial performance, loss of market share and a lowering of customer satisfaction, all of which can force family businesses to rethink their organisational model. The pressure to turn the company around often becomes the trigger to hire external CEOs and get experts onto the board.
- **Internal threats.** These include situations where the business family do not have talented and interested successors or cannot agree on succession, ownership, strategy, day-to-day management or the roles of family members in the organisation. In such a conflictual environment, a professional organisation often emerges as a pacification tool.
- **Opportunities.** These include events when the firm experiences new business opportunities, strong growth, need for outsourcing production or investment from outside investors. The expansion of the company may require more professional leaders that have experience in industry and are able to take the firm to the next level. It can also be a requirement by new investors to invest in the firm.

Benefits of professionalisation

Professionalisation is about creating and implementing a flexible organisation that is more relevant and transparent to all stakeholders, including employees, customers and shareholders. A well-executed professionalisation process has several benefits:

- Next generation leaders will find it more attractive to join professionally run family companies, where career plans and incentives are crystal clear.
- Outsiders will find the company more interesting as well. By breaking the glass ceiling, the family firm can attract highly qualified professionals who feel confident in expanding their responsibilities within the hierarchy.
- Family firms will be less exposed to the key personal risk factors of their owner-managers such as sudden health problems or departures or even loss of life.
- Investors will be prepared to pay a higher price.
- It is easier to attract good board members who feel comfortable contributing their expertise and sound management skills to family members who want to listen.

Professionalising the business

Professionalisation often occurs when a family leader changes the organisational structure inherited from the founder. In so doing, the family makes the organisation relevant to managers and employees. Transparency is a must to ensure the mandate and power of an external CEO *vis-a-vis* the individual family members.

Professionalisation uplifts the business strategy from one based on emotions and feelings. In conjunction with the existing board, family leaders will select a new chair and choose suitable board members, external and internal. In addition, they will nominate a management team that is accountable to the board. They must also re-evaluate the role of each family member for their talent and contribution to the firm. Those not suitable should be asked to leave.

In general, whether the CEO comes from the family or from outside, this makes almost no difference. For most family firms, however, hiring the first non-family CEO is a very big step in the professionalisation process. Too often, the family regrets taking the risk and ends up replacing the CEO.

So it is important to select an external manager with strong business skills and with a keen understanding of how to operate within the family firm. Beyond that, the external CEO must build honest and transparent relationships within the family. This includes accepting the rules and procedures, and values and traditions, that have been passed down by the founders. As important, the CEO has to avoid taking on the role of family adviser as this will create a dissonance preventing the family from speaking with one voice.

The role of the board

The board can play a pivotal role for a professionalisation process to be successful. Many founders make the mistake of assuming that a CEO will be both a family adviser and a business leader, when the dual roles should be split. The chairman of the board should be viewed as the adviser to the family, and the CEO should focus on running the business.

Professionalising Eu Yan Sang

Eu Yan San International is a good example of a Singapore family firm who appointed a non-family professional as its CEO. In October 2017, Aaron Boey was promoted from COO to CEO, following the retirement of 70-year-old Richard Eu who had run the shop for the previous 30 years. Boey is the first external CEO in the 140-year history of the traditional Chinese medicine business.

Having planned the succession for 10 years, the Eu family, which controls the company through its 23.8 per cent stake, wanted to avoid putting the firm and its employees at risk from a sudden health shock of its ageing CEO. To help with the transition, Richard Eu has stayed on as non-executive chairman, while two younger members of the Eu family have taken on leadership roles.

Ensuring the survival of Evergreen Group

In an INSEAD case study on the Evergreen Group, it was shown that the board played a crucial role in professionalising the family firm and ensuring its survival. The Taiwan-based corporation with a 50-year history has diversified business interests in land and air transportation operations and an international chain of hotels. It owns EVA Air, Taiwan's first and only privately-owned international airline, and is one of the world's largest container ship operators.

Following the death of Evergreen's founder Chang Yung-fa in January 2016, his youngest son by his second wife was expected to take over the reins of the company. However, Chang Yung-fa's three sons by his first deceased wife, who together owned a majority stake in the company, put a stop to this. Believing that the appointed heir was not experienced or qualified enough to lead the group, they organised a board meeting that stripped their younger half-brother of his decision-making rights in the organisation. The leadership role was handed over to management professionals.

Meanwhile, the chairman of the board and the board members should be deeply involved in the entire professionalisation process since families may have little experience in this area. They might feel insecure about their ability to contribute to a process whose value may still be not apparent to them. Apart from guiding the family through the process, the board can protect professional CEOs from getting too involved in ongoing family issues.

Family firms have long dominated the economy in Singapore and have contributed a significant share of the nation's gross domestic product. Pillars of society, enterprising families deserve better when confronting the transition to professional leadership model.

Singapore's family firms should wisely engage the help and support of a committed board, with experience in both family business and management, one that will challenge the family and ensure that the firm's performance will not be impacted during the process of professionalisation. In Singapore, the time is right to strike the right balance between board and family. ■

Morten Bennedsen is the André and Rosalie Hoffmann Chaired Professor of Family Enterprise and Academic Director of the Wendel International Centre for Family Enterprise at INSEAD. Brian Henry is an INSEAD Research Fellow.

Risk Management in Organisational Change

By **JULIA LEONG and ERVIN JOCSON**

The role of the board of directors in "de-risking" high-stake business and digital transformations for success starts with changing mindsets. It is not just about technology and systems change, but a shift in attitudes that is needed to ensure open communications and vigilance to oversee the risk management of major corporate transformations.

For many decades now, companies have been creating new business models and transforming for competitive advantage. Managing the risks of transformation is more important now than ever for boards.

The key difference from the past is the greater rate of disruptions, brought on in no small part by the digital revolution. Product life cycles have shortened, and customer expectations have risen. Failure to transform – and to transform meaningfully – may spell a company's demise. Household names like Borders, Kodak, Tower Records are now remembered for the wrong reasons.

The pace of digital transformation continues to accelerate. In a survey of over 1,100 CEOs and industry leaders across the economies of the Asia Pacific Economic Cooperation (APEC) region in 2018, PwC found that automation emerged as the top priority among business leaders as they prepare for the digital future. Beyond using technology to drive productivity, organisations are also seeking to exploit their data assets and emerging technologies to pursue growth.

While opportunities for value creation through digital technologies abound, the risks and challenges are also very real. The repercussions of a US-China trade war on foreign investment, supply chains as well as digital business models across the region have to be factored in.

The scale and pace of transformational change can be so disruptive that it causes huge stresses and exposes organisations to transformation risks.

Failure in a transformation programme is therefore a strategic risk that should come within the oversight of any board as part of its oversight of the company's strategy.

Understanding the risk drivers

Whilst transformations may present different risks in different companies, the human factor is often one of the weakest links. Companies often either over-estimate their capacity for change or under-estimate the effort needed to integrate their existing businesses with the technology landscape.

For digital transformations in particular, many companies fail to sustain the scale of change. Digitalisation and automation have begun to change the shape of organisations, displacing – and gravely unsettling – workers lower in the value chain. (See box, "Digital Transformation – Changing the Shape of Organisations").

For this reason, transformations cannot just be about technology. Indeed, there must be a concomitant focus placed on managing risks associated with people and capability development.

This is of such strategic importance that it warrants the closest attention of the board.

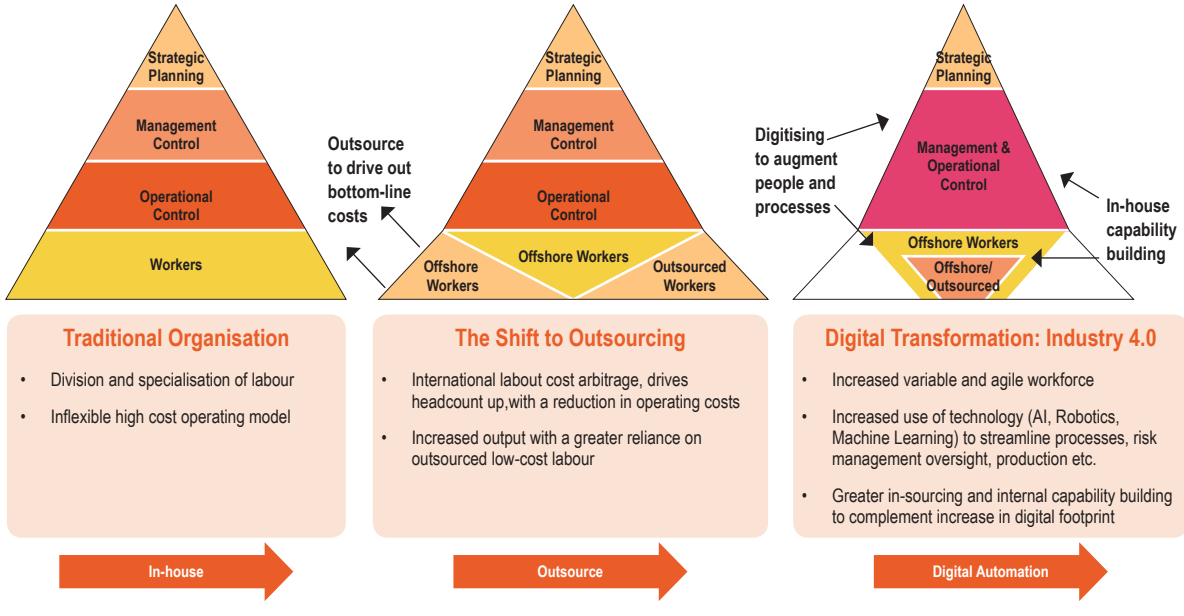
Key digital transformation risks

Another key risk factor pertains to systems. The coming of age of cloud and blockchain technology has opened up new frontiers for many companies. But as with the proverbial double-edged sword, a watchful eye should be kept on the risks.

In a recent survey of over 3,000 business leaders globally, PwC sought to understand what it takes to develop the level of confidence in people, processes and technology to build a secure digital world. The inaugural *Digital Insights Survey* found that while nine in 10 survey respondents say they include proactive management of cyber and privacy risks by design in the project plan and budget, just over half say that proactive risk management measures had been incorporated into the project "fully from the start".

It is vital that boards are equipped to ask the right questions through the lens of data protection, privacy management, resiliency and cyber security.

Digital Transformation – Changing the Shape of Organisations



Companies must ensure that these issues are managed right from the start of their digital transformation journeys.

Red flags are often not given the due attention until they become critical and much costlier to address. To enable early sight of issues, the board should consider if it has ticked the following boxes:

- Good visibility over the total change portfolio.
- Aggregate level of risks of both the "to-be" state and the "business-as-usual" activities.
- Clearly articulated criteria for the escalation of issues by the management for the board's attention.
- Clearly articulated principles in addressing tensions that may arise in the implementation of transformation programmes.
- Allocated sufficient time in board meetings to deliberate the trade-offs and strategic implications of these issues.

While it is true that "you can't manage what you don't know", it is important to have well-designed early-warning processes that can help boards reduce the risks of "unknown unknowns".

Monitor transformation programme status

It is critical that boards also balance between the "must-knows" versus the "good-to-knows" in tracking the health of a transformation programme. Effective communication and engagement between management and the board of directors can help in the oversight of risk management.

On the one hand, it is easy to be lulled into a false sense of security by a dazzling dashboard full of positive performance indicators. On the other hand, if these indicators are not well thought-out, they can detract from the effective tracking of the transformation programme.

While most companies provide the board with strategies for cyber security and privacy, many of the same businesses may have doubts or concerns about their internal reporting on cyber security and privacy metrics. Only 27 per cent of survey respondents say they are very comfortable that the board is receiving adequate reporting on metrics for cyber and privacy risk management.

A common pitfall in programme status reporting is the focus on outputs rather than outcomes. This is an important and yet often neglected distinction because outputs are often easier to measure than outcomes. When it comes to identifying corporate key performance indicators, clarity of purpose at the board level are key to ensuring alignment throughout the rest of the organisation.

In practice, many things can go wrong in multi-year transformations. Catastrophic failure is often the result of small undiagnosed (and hence unaddressed) failure points accumulated over a long period of time, rather than one single major event. Whilst there is no single silver bullet, boards should be vigilant and keep track of the well-being of the transformation.

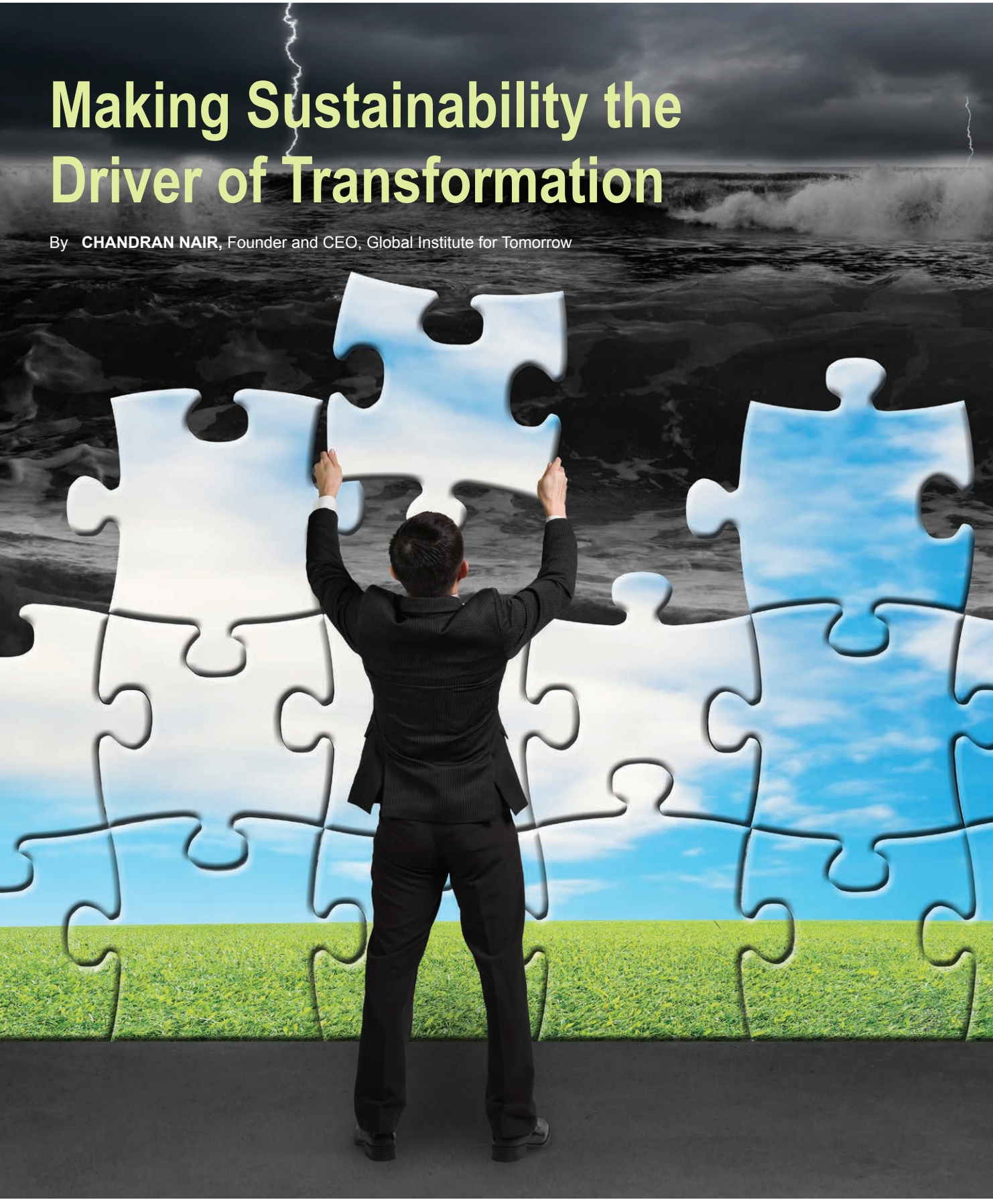
Some of the measures include having multi-feedback channels (informal and formal) for different perspectives, especially from change agents at the frontline. Companies should also dedicate time on the board agenda to discuss transformation risks. There should be regular independent health checks, readiness and toll-gate reviews over the life of the transformation. And boards must embrace every opportunity to solicit fresh perspectives from new board members.

This holistic approach will help build confidence in the readiness of people, processes and technologies to meet tomorrow's challenges. ■

Julia Leong is Partner, Head of Transformation Assurance Services, Risk Assurance, PwC Singapore and Ervin Jocson is Partner, Risk Assurance, PwC Singapore.

Making Sustainability the Driver of Transformation

By **CHANDRAN NAIR,** Founder and CEO, Global Institute for Tomorrow



For corporate restructuring to be truly transformational, companies must take an honest look at their business models in light of resource constraints and find a sustainable and collaborative approach to change. Resource constraints and environmental abuse are dramatically impacting social, political and economic systems across the world, and can no longer be ignored.

Almost all discussions of corporate transformation focus exclusively on one kind of transformation: digital disruption. However, this emphasis on new technologically enhanced ways to do more of the same is still beholden to a "business as usual" mindset. There is no search for real disruption to meet the challenge of our times.

Instead of a race for bigger, faster, cheaper and more convenient solutions, businesses would do well to consider the mega trends of our age. The existential threats arising from resource constraints and environmental challenges demand that corporate transformation take a sustainable approach.

Climate change

Let us start with the elephant in the room – climate change. It has resulted in rising sea levels, flooding, more unpredictable weather, loss of flora and fauna, threats to agriculture and food supplies. Add to that, overcrowding in cities, worsening air quality and increasing water pollution, and it is clear that "business as usual" is at war with the planet.

The current dilemma is no longer how to restrain carbon emissions, but instead how to adapt to a warming climate, its accompanying effects and other environmental issues. Parallel to these changes is limited access to resources, as stocks come under strain from a global economy pursuing growth at any cost.

How should corporations change their business operations in this new world?

First, companies must conduct a clear-eyed reckoning of their current business model. The products and services they offer may not be feasible, necessary nor sustainable. The lifestyles they promote already impinge on the rights of those in poorer economies and will affect the opportunities for future generations. There is an urgent need to adapt to new realities. Current business models may be entirely unworkable in a resource-constrained world.

Take coastal property. Many of the world's major financial and economic centres lie along coastal regions under threat from sea level rise. New York, Shanghai, Hong Kong, Singapore, Mumbai, London and others will see greater risk of coastal flooding. Will seafront and riverfront property still be viable or the most sought-after locations 20 or 30 years from now?

The value of assets, including manufacturing, storage and transport facilities located near the shore, will become more unstable as sea levels rise. At the same time, the cost of mitigation will only increase. Coastal cities, like Hong Kong and Singapore, which rely on extending the coastline to "reclaim" land for future development face added risk and responsibility, as the impact of climate change intensifies.

Other effects of climate change, such as increasing temperatures, droughts and floods, will impact the world's breadbaskets. Extreme weather risks damaging viable agricultural land. For instance, the Asian Development Bank projects that by 2100, Indonesia, the Philippines, Thailand and Vietnam could experience a potential fall of about 50 per cent in rice yield, assuming no adaptation and no technical improvement.

Unstable food production will have significant impact on all economies, and not just in direct impact to commodity markets. Governments rise and fall along with price changes for staple goods. For countries, like Singapore and Hong Kong, which rely on food imports, the spectre of rising food prices and resulting social upheaval looms large.

Resource management

Second, companies, especially those responsible for managing assets and natural resources, need to start developing a sustainable resource management plan.

While some asset managers may see opportunity in these changes, hoarding resources in preparation for a more constrained future, is neither an ethical nor sustainable option. For example Harvard Management Company, which manages Harvard University's endowment fund, is reported to have invested at least US$1 billion (S$1.36 billion) in farmland, including vineyards in California, dairy farms in New Zealand, and operations producing cotton, soybeans and sugar cane in Brazil, South Africa, Australia, Russia and Ukraine.

Harvard says it considers the environmental and social implications of its endowment investments. However, students, alumni and environmentalists allege the investing practices are often out of step with the school's professed values. These critics have pushed colleges to jettison stock in fossil fuel companies and companies whose business dealings may harm the environment.

Global corporations, like Coca-Cola and Pepsi, have come into conflict with provincial governments in Tamil Nadu over their use of water from local sources. And food giant Nestle has been criticised for selling bottled water sourced from public groundwater in North America. These examples are just the tip of the iceberg, and have only served to heighten mistrust of big businesses by local communities.

Collaborate for change

Third, and finally, corporations and their boards should take the lead in developing a long-term sustainable resource management strategy in collaboration with other stakeholders.

Real change cannot be brought about in isolation, and must involve cooperation with local communities, civil society, other companies and governments, to ensure that the world's stock of resources is preserved for future generations. It is only through collective effort that scarce resources can be put to their most sustainable use.

Companies sometimes feel ill-at-ease working with the government, preferring to be left alone to their own devices. But sustainable resource management is about protecting public goods and not something that companies do voluntarily. It has to be led by the state as a regulator and companies can play a key partnership role. It is, after all, the rare corporation that actively sacrifices potential profit for long-term social goals.

Governments with the vested interest of the public at large are generally deemed to have a combination of power, authority and legitimacy to make the national interventions necessary for sustainable development. Singapore, with its tight hold on the regulatory regime, is a good example.

Doing less for more gains

The three-step guide outlined above would require a transformation of the corporate attitude. The ethos of "produce more, sell more, profit more" and growth-at-any-cost may have been suitable in the 20th century, in an era of cheap resources and comparatively fewer people.

Going forward, however, companies need to figure out how they can embrace the true ethos of sustainability – not just by "doing more with less", but actually doing less with outdated business models. It will mean sacrificing potential revenue today in order to avoid costs in the future, yet at the same time building new businesses to produce goods and services to meet the wide range of adaption challenges of the 21st century.

Companies that can learn how to do this now will do far better than companies forced to make these decisions in the future. Yet despite the obvious need for a rethink, companies are still in denial about what "transformation" will really mean. The current obsession with "digital transformations" threatens to distract companies with the latest technological fads, away from the agenda of sustainable reform.

Implementing a truly sustainable corporate mindset will be the real transformation that companies will need to go through over the next several decades, yet the majority have hardly embarked in this as they seek refuge in business school formulations that are easy to digest but in the long term will not lead to the real transformations needed. ■

Board Transformation: Changing to Stay Ahead

By **STEPHEN LANGTON and NICK CHIA**

The changing demands of customers, increased scrutiny by regulators, fluctuating nature of supply chains, and growing pipeline of competitors make for a volatile and uncertain business environment. How can boards ensure their long-term success?

Boards today have to plan, design and build tomorrow's board as fast as the organisation itself is required to change. High performing boards have directors who walk the talk on transformation, with board renewal, succession and transformation as key items on their agenda.

It was not too long ago that directors were appointed with the intent that they would stay on that board until they chose to retire. Today, the adoption of board appointments with tenure has become the standard, with a rolling renewable contract. A presumption of three terms is the norm – the first to learn the ropes, the second to lead a committee and the third to be ready to assume chairmanship.

The model is elegant if we assume one thing, that strategic change mirrors the pace of board renewal. That assumption is now fundamentally flawed.

Be the change you want to see

Back then, the "three horizons" framework provided a structure for companies to assess potential opportunities for growth without neglecting performance in the present. With horizon one representing core businesses, horizon two encompassing emerging opportunities and horizon three containing ideas for profitable growth, the model imagined each separate horizon to be the unique domain of successive CEOs and management – each overseeing the success and transition of progressive horizons. Today, directors and CEOs are expected to recognise and impact all three horizons of future growth during their tenure.

Take the energy company whose core capability for success shifts from upstream oil and gas in one year, to downstream, and then online digital marketplace and distribution in the next. Or the apparel company moving from design and manufacture to ecommerce and retail; and the bank moving from branches to smartphones.

Board renewal can no longer be left to the calendar of director retirement. For the most successful boards, the era of perpetual, "evergreen" board design, development and renewal has arrived.

In a global board research study, *Going for Gold*, by Russell Reynolds Associates (RRA), the views of 750 chairmen and directors worldwide, from Singapore, China, India, Japan, Australia, the Americas and Europe, were tapped, to understand the ever-increasing pressures on boards.

High performance boards ask three questions:

1. What board do we need to be?

High performing companies can be measured by their ability to exceed total shareholder return industry benchmarks for two or more years.

RRA's survey data reveal that boards of such companies are more likely to report weighting more time in forward-looking planning activities, such as strategic planning, board refreshment, CEO succession planning, and crisis management planning.

What makes a high performing board is summarised in the box, "Characteristics of a High Performing Board".

This group was shown to spend more time during the year on strategic and forward-looking planning, and less time on operational review, compliance, and focus on financial control and audit.

Boards with the most effective culture for transformation to the new order behave

Characteristics of a High Performing Board

High performing boards have aligned clarity. They are clear about what should be on the agenda, and what the areas of focus for the board should be. Following from this, it becomes easier to define the purpose and tasks of the board, the capabilities needed, and the type of structural organisation required to realise these goals.

Some of the key highlights of a high performing board are:

1. A willingness to constructively challenge management.
2. The courage to do the right thing for the right reasons against the purpose and mandate of the organisation.
3. A clear demonstration of sound business judgement.
4. The ability, insight and courage to ask the right and required questions.
5. A clear independent individual perspective encouraged and expected to avoid "Groupthink".

differently. There is a significant difference between high and low effective culture on boards across nearly every observed behaviour factor. There was more reported trust between directors of high performing boards, and board discussions were felt to be more prioritised and focused, with directors on those boards more willing and effective in challenging management.

Interestingly, 98 per cent of directors on highly adaptive and high performing boards recognised their fellow directors engaging in all aspects of board responsibilities, compared with less than 50 per cent in boards seen as less effective. Proxy delegation of responsibility to committees or recognised "experts" on less effective boards are more common.

In the highly effective adaptive boards the characteristics of the board leadership were seen to be a significant factor for performance. Such boards had chairmen who were more active in facilitating and engaging their directors in high quality debate; they actively sought and embraced different points of view and they were capable in giving their directors regular constructive feedback.

Having a dominant and controlling shareholder or shareholders correlated with a negative impact on board effectiveness and culture, and such boards were less likely to rate themselves as effective. However, having a controlling shareholder did not appear to have any significant impact on company performance.

2. How is the board performing today?

Boards must increasingly learn to engage and understand what their stakeholders want and expect of the organisation. Not long ago, the board could be forgiven for prioritising the attentions and demands of the shareholder and regulator. These stakeholders have themselves fundamentally changed in character and power. New ones are increasing in voice, rights and power. These are some of the ways stakeholders are changing.

First, shareholders are demanding and expecting more transparency, disclosure, relevance,

exposure of and access to the board directly. There is an increase in power, presence and entitlements of the many proxy advisers, activist investors as well as the "smart phone-armed" and easily displeased consumer shareholders. Shareholders of any scale have a louder and more influential voice to demand more of their boards. They are clearer that performance and evolution are not outsourced to management.

Second, regulators are under pressure themselves to demand and expect more effort to demonstrate compliance, support, and even collaboration in setting the standards of governance and ethics for an economy in concert with industry peers. The era of a passive "if not, why not" expectation on boards worldwide is now being replaced by the "smelling the smoke" mandate. The regulator's role is morphing into that of setting and championing the standards, and not constantly policing and prosecuting them. Cooperation with and active attention to the regulator replaces just complying with and avoiding the regulator in transforming high performance boards.

Third, employees are an emerging stakeholder group in Asia. The aftermath of the US financial crisis saw employee groups assert significant controlling pressure on the boards of their organisations through leveraging shareholdings and proxy power through their pension funds as key shareholders. Today employees are as informed almost as much as the investing market. They are mobile, and constantly seeking career and experience mobility.

Fourth, society is changing. The smartphone turned everyone into an opinion leading, opinion broadcasting, self-researching and investigative commentator and consumer. The BBC's own Nik Growing's alarming work "Thinking the Unthinkable" makes essential a natural paranoia, vigilance and care in the control and truthfulness of messaging in our transformed future boards. Leading boards are responding to this with effort but with confidence.

Fifth, the media is evolving. Until recently a corporate failure, scandal, or incident (especially success) was reported routinely from the office of the CEO. Today the informed and empowered mass consumer, whether investor or not, seeks social and moral justice when organisations fail to serve as declared and blame needs apportioning. It is the board now chased by media not management.

3. How are we going to close the gaps between tomorrow's needs and today's performance?

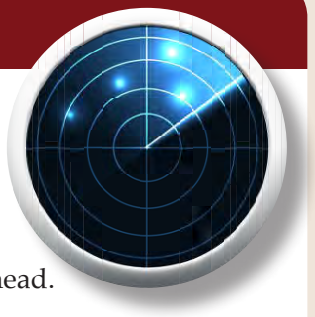
Boards seeking to transform must adopt a different perspective to board renewal and succession. A new format of evaluating and reviewing boards is leading the charge.

First, boards must make the leap from board review to board preview. What this means is the boards must internalise the process of first assessing what they want to be, before undertaking to evaluate their performance in achieving their goals.

Board reviews have, in most jurisdictions in the region, been a discretionary guideline or principle to follow. In Singapore, the evolution of expectation is reflected in the 2018 Code of Corporate Governance. Provisions 5.1 and 5.2 require: "…*the process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board*". With the company to disclose in its annual report how the assessments have been conducted, including the identity and relationship of its external facilitator.

Second, boards must move from board assessment to perpetual board development, in other words, adopt the RADAR approach (See box "Board RADAR").

Board RADAR:



Adopted by leading boards, the RADAR approach sees an aligned:

- **Review** – Against the lessons of the passing era and the current health of or the old-fashioned board review.
- **Assessment** – Against the task and strategic requirements of the future ahead.
- **Development** – Practical collective and individual support.
- **Alignment** – Ensuring convergence of board focus at all times.
- **Renewal** – Towards planned succession for all roles, not just replacement, that ensures a rolling process of test and develop rather than a rear-view mirror look back once a year or less.

Board reviews have become an important tool, and increasingly required by regulation, for optimising governance effectiveness, confidence and capability. Increasingly, such reviews are being scrutinised by proxy advisers, shareholders and other external parties to gain insight and confidence in how their investments are being governed.

Phase one has been to increasingly accurately and confidently paint a picture of health and gaps by looking to the passing period. Phase two is now shifting to rapidly close those gaps through active individual and collective development. This period coincides with the emergence of the RADAR approach. The idea is to plan and design the transformation as a deliberate and controlled act of good governance, and not just react to the demand for change as it happens.

Third, and finally, board leadership must evolve to such that the role of the chair becomes that of a conductor of change rather than just a convener of board meetings.

The chair is key in facilitating board transformation. Whilst there is no algorithm (yet) for such change, a rule of thumb trusted by the most seasoned chairs is that the more their board is clear, capable and the board dynamic effective, the more they can and should be in consultation and facilitation mode. As soon as one or more of these conditions is compromised, the more directing and conducting they know that their board needs them to be. The shift towards the latter in these times of change is recognised.

The evolved Singapore Code of Governance August 2018 sets a valuable definition of such chairman behaviour that is inspiring way beyond the country's borders by boards achieving their required pace of transformation: *"..it is fundamental that the Chairman sets the right tone. The Chairman should encourage a full and frank exchange of views, drawing out contributions from all directors so that the debate benefits from the full diversity of views around the boardroom table. The Chairman should seek to stimulate and engender a robust yet collegiate setting, set the right ethical and behavioural tone, and provide leadership to the Board."*

Boards can ensure their continuing relevance by upholding these values articulated in the Code and delivering on transformation through board renewal, succession and regeneration. ■

Stephen Langton and Nick Chia are both Consultants at Russell Reynolds Associates.

Will We Need Boards in the Future Economy?

By **SHAI GANU**

SID SINGAPORE INSTITUTE OF DIRECTORS | BOARDROOM MATTERS

The future economy, with its emphasis on digital disruption and hyper-disintermediated business models, augurs change in the way businesses and companies are run and governed. The changing relationship between boards and management will have significant impact on the roles and responsibilities of directors.

In traditional companies, the board is appointed to represent and safeguard shareholders' interests. Given the information asymmetry between management and owners, the board seeks to ensure conformance with regulations and accounting standards even as it pushes management to perform.

Processes such as internal and external audits, board dashboards, and reporting requirements are assumed to reduce the likelihood of management pursuing their own interests, or performing poorly.

The new company model

In the new economy, technologies such as distributed ledger technology (i.e. blockchain) could bring about a completely new way of governing companies.

Instead of large, hierarchical, centralised entities, blockchain may enable highly localised structures connected via a distributed network.

Instead of the traditional ownership structures of the public or private limited company, it may give rise to decentralised autonomous organisations.

Instead of having shareholders, companies may create and issue crypto currency or tokens via initial coin offerings (ICOs), which may be held by employees and customers.

Technology platforms could enable "barter" within ecosystems, wherein users could trade goods and services using each other's tokens or coins. This could also cause a convergence of the roles of customers, employees, suppliers and owners.

Imagine a business where all the customers and all the employees were also the co-owners, thus leading to a strong purpose-driven organisation. This could result in a closed-loop ecosystem in which everybody is driven by the same purpose – good products and services, and fair wages and prices.

In this context of a hyper-distributed and hyper-disintermediated business model, what would the role of the board look like? I posit that there will be shifts in board roles, composition and dynamics.

From fiduciary to advisory

The first is a shift from a fiduciary to a more advisory role.

Traditionally, most boards focus on carrying out their fiduciary responsibilities, ensuring compliance with regulatory requirements. However, in the new economy, "smart contracts" could take over the role of ensuring conformance with regulations and reporting requirements.

With decentralised ledger-keeping, company accounts could be instantaneously verified anywhere in the world, likely rendering the audit and compliance function of the board redundant.

Similarly, companies may not need annual general meetings or boards to vote on key issues related to business strategy and organisational priorities. Advances in technology would allow for highly distributed decision-making, where all token-holders – be they customers, employees, or investors – exercise their preferences on key strategic issues using real-time voting platforms.

The focus of the board then, very importantly, would need to shift from conformance to driving company performance. Unencumbered by regulatory requirements, the boards of some new economy companies may likely evolve to advisory boards. Board members would become more like internal consultants to the CEO and management.

These advisers would need to have deep knowledge and industry expertise, relevant experience and track records, helpful networks and connections. Ideally, they should have shared interests with management. The advisory board would also need to act as custodians of the corporate culture – by helping to place the right people in the right jobs, determining what performance is valued, and which behaviours get rewarded.

Stronger need for diversity

Given the focus on the advisory function, it will be particularly important to ensure appropriate diversity of thought and experience.

Board members of different skills, gender, age and culture will likely continue to provide varied perspectives. But the new economy company board will need to move beyond these traditional visible dimensions of diversity. They would also need to focus on the non-visible aspects of diversity, such as stewardship styles, emotional and social intelligence, and functional domain expertise.

In addition to the traditional skills of commercial, accounting and legal, companies would also need directors with specialist skills across domains such as public relations, crisis management, cyber security, crypto currency design and cultural transformations. Technology disruptions and disintermediation behove boards to have deep expertise related to digital transformation and organisational development.

The argument for directors with long tenures on the board would become redundant in new-economy companies. Technology and artificial intelligence (AI) could replace directors valued mainly for their insights into the company's history and context.

AI for directors?

It is not inconceivable that the board of the future would be supported by an AI function or a bot; which can keep up with any boardroom discussion, contextualise the premise, have instant access to data and analytics, and also provide historic context and precedence as required.

Indeed, companies in the new economy will continue to need boards, albeit with a different mandate. While blockchain and other technology advances will change its role, the board will still be required to guide and advise management, and help drive company performance.

Even more so, this makes it critical to have the right, and diverse, skillsets and experience represented on boards.

Yes, the board of directors will still be needed for the future economy company. After all, you can't come up with an algorithm for experience and judgement. ■

Shai Ganu is a member of the Professional Development Committee of the Singapore Institute of Directors.

Boardroom Matters is a regular column by SID in The Business Times *and its online financial portal* BT Invest, *where this article was first published in January 2019.*

Realising Digital Ambition Through Talent and Culture

By SCOTT SNYDER and CHRISTOPHER UHRINEK

Companies face a unique mix of cultural and strategic set of challenges in undertaking digital transformations to meet changing consumer demands and emerging digital competitors. Addressing these challenges starts with defining a clear digital ambition and the role talent plays in making it successful.

Most companies understand the value a digital transformation can generate, but many struggle to capture its value. A recent Heidrick & Struggles survey of companies in the Asia-Pacific (APAC) region revealed that only 35 per cent are satisfied with the results of their current digital efforts.

The three biggest obstacles identified are lack of articulation of a digital strategy (39 per cent), lack of necessary talent (33 per cent), and moving too slowly (33 per cent).

The good news is that there is a significant appetite among APAC governments to help businesses go digital and future-proof their economies. For example, Singapore's Government Technology Agency had indicated that S$2.8 billion of government infocomm technology contracts would be given out between April 2018 through to March 2019, a shade more than the previous year's S$2.4 billion.

APAC companies, for their part, should focus not exclusively on technology but also on articulating a strategy, developing the workforce, and establishing a culture that accelerates progress.

A successful digital transformation takes a company from a traditional approach to customer experiences and operations to one where digital is used to innovate new approaches to existing tasks and processes, and to incubate new offerings and business models.

Moving target

The destination is inevitably a moving target, since new technologies are always emerging. By striving for digital acceleration, which can be defined as the ability to successfully develop and scale new digital initiatives across the business, companies can build the capabilities and infrastructure that will allow them to smoothly manage both current transformation projects and test future innovations in parallel.

Digitally accelerating organisations should take a few clear steps to achieve a well-defined and understood strategy for harnessing digital capabilities.

First, leaders should clarify their digital ambition. They can assess the future of their market by asking some basic questions – for example, what opportunities will exist to deliver step-change outcomes like a 10X improvement in customer value, what skills and capabilities they will need, and what the skills gap is likely to be. The answers will help them better articulate their digital ambition, the way it leverages their existing assets, and how to close the gaps.

Then leaders can begin to build the internal infrastructure to support that ambition by asking themselves: What will the journey look like, and how can processes be reworked to help along the way?

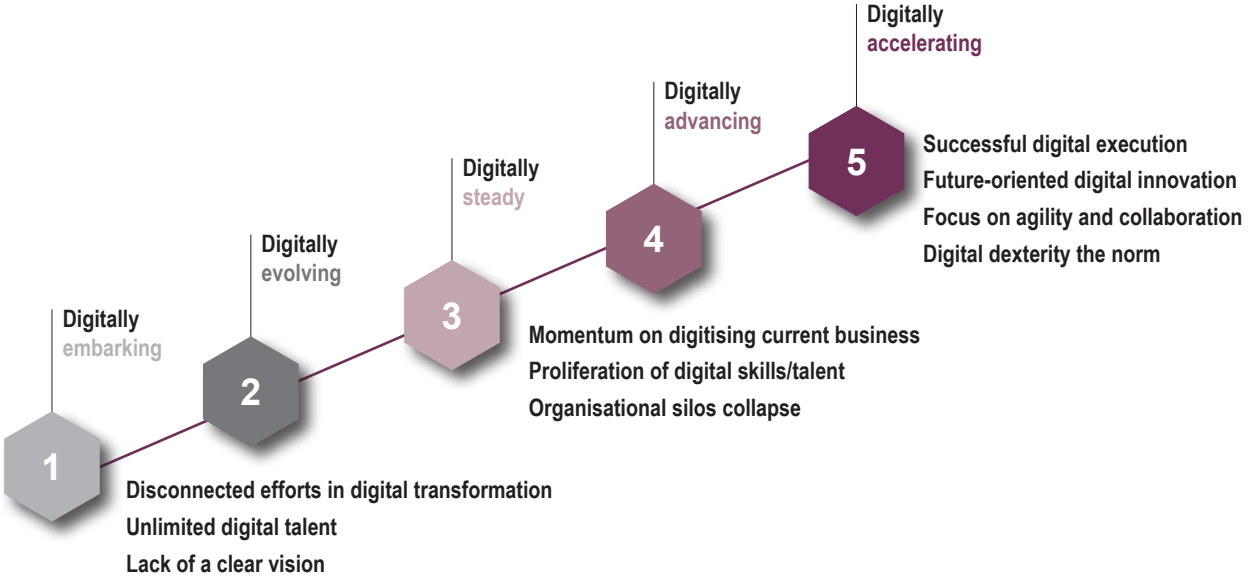
Lastly, to ensure they stay on track, organisations can measure their progress along the five stages of digital maturity and focus on developing their leadership, workforce, and culture to advance. (See box on "Measuring Digital Acceleration").

Investing in talent, skills and capabilities

More often than not, talent is the limiting factor when pursuing digital acceleration. Only 23 per cent of APAC companies surveyed consider their

Measuring Digital Acceleration

Where are we today? Where do we want to be in 12–18 months?



Source: Heidrick Consulting LLC

digital talent strategy to be ideal, and 57 per cent believe they need a new or different talent base. The best approach starts at the top and reaches across the entire workforce.

While 33 per cent of companies say they create strategic roles such as a chief innovation officer or chief analytics officer to spur progress in their digital efforts, this move alone is not sufficient.

Though not all leaders need to be technical experts, every executive should be an effective driver of digital change. Indeed, the entire senior management should evolve their digital capabilities to match their company's evolution (see box, "Shaping Clear C-suite Roles for Digital Acceleration").

Transforming the workforce

Companies must also raise the digital dexterity of the entire workforce to truly build a long-term advantage. Organisations can support their employees in a number of ways:

- Bring on external hires, partners and freelancers who can fill current digital capability.
- Balance institutional knowledge with new hires' perspectives, and factor in the increased impact of automation on the workforce.
- Look beyond acquiring designers, developers, and data scientists to anticipate critical emerging roles – for example, incubation managers or behavioural scientists.

Developing a supportive culture

Two aspects of culture are particularly important to digital acceleration.

First, companies should support and reward two types of innovation. "Big I" innovation is disruptive, looks to the future, and can fundamentally change the way a business operates. "Little i" innovation continually improves the core business.

Second, companies should also create a culture of continuous learning, in which people are

Shaping Clear C-suite Roles for Digital Acceleration

Role/digital influence	Light influencer- Digitally Embarking stage	Moderate influencer- Digitally Evolving/ Steady stage	Driver/shaper- Digitally Advancing/ Accelerating stage
Chief Information Officer	Define and manage enabling digital infrastructure	Own enabling digital infrastructure/services and business-to-enterprise apps	Own all digital infrastructure and app portfolio
Chief Technology Officer	Recommend digital architecture	Own digital architecture and development standards	Own digital product development
Chief Digital Officer	Evangelise digital possibilities, set standards	Coordinate digital portfolio across business	Lead overall digital portfolio
Chief Marketing Officer	Set marketing related digital standards	Own overall digital user experience and coordinate all business-to-consumer apps	Own all customer-facing digital opportunities
Chief Human Resources Officer	Acquire select digital skills	Coordinate with digital leaders to design/ deliver in-house digital capability building	Drive workforce of the future strategy and deliver state-of-art employee experiences
Chief Data Officer	Drive data access and modelling standards	Jointly develop of new AI/data-driven digital products	Use digital to fuel AI/data product portfolio and innovations
Chief Product/ Innovation officer	Integrate digital into product development/innovation activities	Own digital products related to long-term innovation	Own digital product portfolio
Business Unit Digital executive	Inform digital portfolio with business unit requirements/ opportunities	Work with tech/digital team to deliver/manage digital apps. Own ROI.	Own development and management of digital portfolio for business units
Corporate Ventures executive	Recommend/manage corporate investments to support digital	Jointly support digital ecosystem with business unit and functional owners	Own digital ecosystem and external digital product incubation

encouraged to build new digital capabilities. When training is combined with support, communication, and knowledge sharing, the result is a workforce with the tools to innovate and solve problems more creatively.

Many enterprises have advantages they can use to protect and expand market share. In particular, APAC companies report a higher-than-global adoption of disruptive technologies such as the Internet of Things, artificial intelligence, and conversational interfaces. This makes APAC an ideal test lab for new digital innovations that may be ahead of other regions.

But tech adoption alone will not create sufficient digital acceleration to win. The most successful APAC companies will build the capabilities to ensure they have the right talent at the right time as well as a culture that supports continuous learning and breakthrough innovation. ■

Scott Snyder is Digital and Innovation Leader, Heidrick Consulting, and Christopher Uhrinek is a Principal, Heidrick Consulting.

Time for Leaders to Act

By **HARESH KHOOBCHANDANI** Vice President, Autodesk Asia Pacific

While leaders need to drive transformation in their organisations, they also need to transform themselves in tandem. One cannot happen without the other.

Organisational attitudes towards digital disruption have vastly improved in the past few years. According to the Global Center for Digital Business Transformation in its report, *The Digital Vortex in 2017*, only 17 per cent of survey respondents cited that digital disruption was not worthy of board-level attention, in comparison to more than 40 per cent in their 2015 study.

In the same 2017 survey, findings showed that 40 per cent of respondents believe their leaders do not understand nor respond to disruption appropriately. This gap raises the clear need for "digital leaders" in the boardroom who are capable of driving this kind of transformation.

The "Puzzle of Eight"

Driving transformation at large is a big task. So where can leaders start on their journey to lead organisational transformation?

The framework, "Puzzle of Eight", highlights the critical components required to lead teams and organisations through this time of exponential change.

In essence, leaders must:

1. **Understand the physics of the future.** Technology driven disruption has changed the fabric of life and the dynamics of how business gets done. Every leader must start to understand trends, implications and how these changes in patterns could change the way we do business. *The Physics of the Future* by Michio Kaku and *21 Lessons from the 21st Centur*y by Yuval Noah Harari offer useful insights into how to recognise and harness these changes.

2. **Develop 21st century skillsets.** The 2018 *World Economic Forum Insight Report* outlines the 21st century "reskilling revolution" that will equip the workforce for the future. What got us here will not take us to where we need to be. We need to drive proactive disruption and a culture that supports it. Enabling constant un-learning, re-learning and learning must be a new norm.

3. **Understand the customer journey.** Companies must relook their strategy to engage customers. The customer is now more empowered than ever before. An always-on, always-engaged and customer experience driven strategy is something every organisation should have to unlock opportunities and innovate in order to create a sustainable positive customer advantage.

4. **Create mindfulness in the workplace.** People operate in a world of infinite data and devices but with finite time and attention. With the pressure to deliver on results and reality of operating in an increasingly connected work environment, the focus is now growing on how best organisations can get the best out of their employees. Mindfulness not only improves focus, but the ability to manage stress.

5. **Build a data culture.** Going with your gut is not enough. At the heart of it, data can help the organisation separate the noise from the signals to make better, smarter and faster decisions. Having a clear data strategy and understanding how data is captured, managed and flows across the organisation can genuinely empower people. This is a leadership imperative for company-wide change and not just an IT imperative.

6. **Harmonise the old and the new.** A multi-generational workforce is increasingly growing. A growing ageing population still needs to be engaged whilst the rising middle, particularly in emerging markets, are re-defining the art of engagement. The old and the new methods of engaging and addressing employee and customer needs must and can co-exist.

7. **Embrace diversity.** We live in a globalised and connected world. Different thoughts, perspectives, cultures and genders must be embraced for organisations to address both the challenges and opportunities they face. An organisation gets stronger with more diverse thinking as it gets to serve a broader audience, bring in new ideas, and serve different generations.

8. **Enable disruption as part of company culture.** Culture is part of the everyday fabric of work. It is that invisible force that guides us to do the right thing always, even when no one is watching. The ways we work and the values that guide us are just as important as the outcomes. Corporate culture is key to breakthrough performance.

Change has never happened this fast and will never happen this slow again. Organisations must stay agile and embrace changes, on an ongoing basis. Charles Darwin said it best: "It is not the strongest of the species that survive, nor the most intelligent. It is the one that is the most adaptable to change." ■

Should Tax Keep Pace with Transformation – or Shape it?

By CHUNG-SIM SIEW MOON

Digital technology and unprecedented regulatory changes are changing the future of tax and challenging regulators, tax professionals and businesses alike. Rather than just keeping pace with the changes, companies should seize the opportunity to shape their tax functions to drive value and innovation beyond compliance and reporting.

Digital technology and unprecedented regulatory changes are transforming the future of tax and challenging regulators, tax professionals and businesses alike. One thing is certain – technology is disrupting "business as usual", and the pace of change will only continue to accelerate.

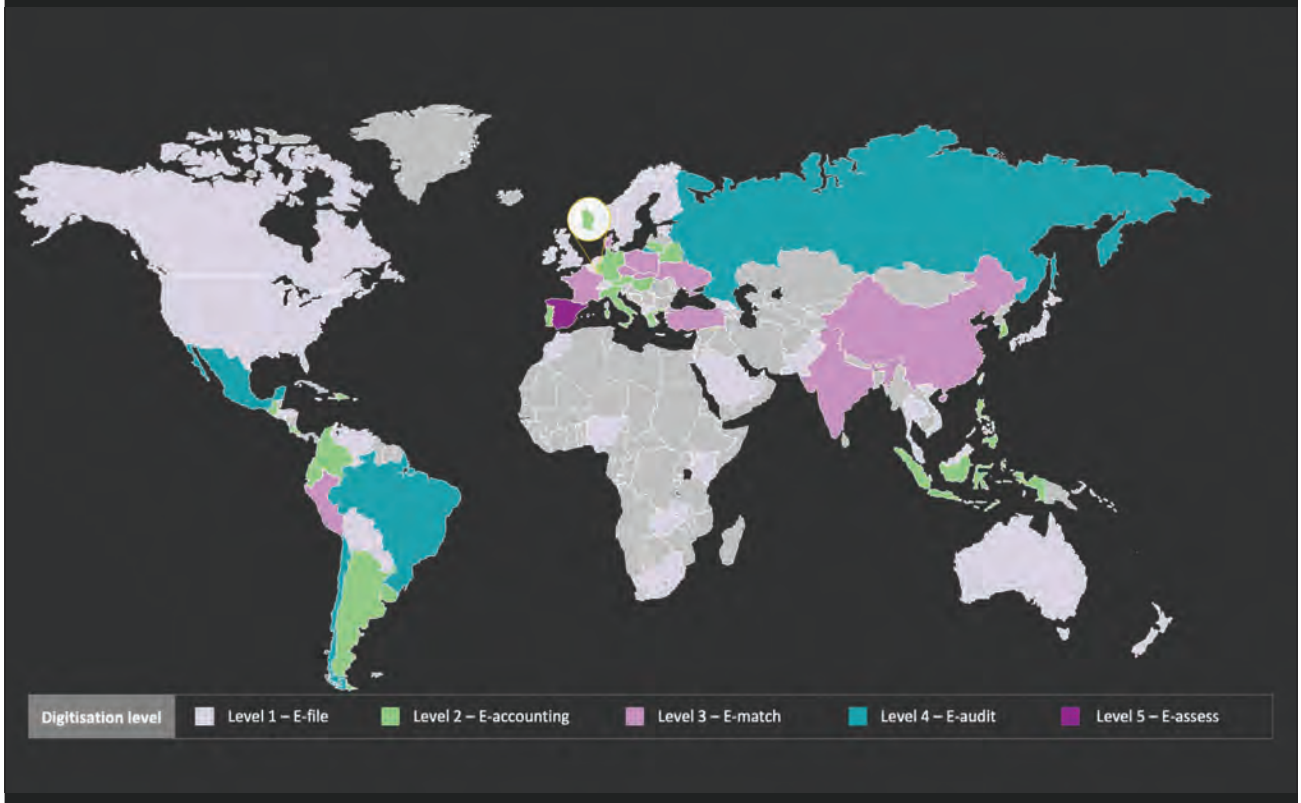
Regulators are innovating – and so should business

Digital technology is a double-edged sword. While it can enable tax functions to be smarter and better, tax administrations too are increasingly sophisticated and agile, and this can create more risks for businesses that lag behind.

Consider how governments are harnessing digital tools to improve their administration of tax, where they are now interacting with taxpayers at source, simplifying and automating tax filing processes and requiring submission of source accounting and transactional data in digital format. Increasingly, they are demanding real-time or near real-time information from businesses. This changes the way taxes are reported, filed and collected, disrupting the traditional compliance process and accelerating reporting and filing obligations for businesses.

Countries are at very different stages of digitalising tax administration (see box, "State of Digital Tax Administration").

State of Digital Tax Administration



The Digital Tax Administration Life Cycle

Level 1	Level 2	Level 3	Level 4	Level 5
E-file	E-accounting	E-match	E-audit	E-assess
Use of standardised electronic form for filing tax returns required or optional; other income data (e.g., payroll, financial) filed electronically and matched annually.	Submit accounting or other source data to support filings (e.g., invoices, trial balances) in a defined electronic format to a defined timetable; frequent additions and changes at this level.	Submit additional accounting and source data; government accesses additional data (bank statements), begins to match data across tax types and potentially across taxpayers and jurisdictions in real time.	Level 2 data analysed by government entities and cross-checked to filings in real-time to map the geographic economic ecosystem; taxpayers receiving electronic audit assessments with limited time to respond.	Government entities using submitted data to assess tax without the need for tax forms; taxpayers allowed a limited time to audit government-calculated tax.

Singapore is at Level 1, characterised by the e-filing of various tax returns, including withholding tax returns, certificates of residence and e-payment of taxes. In particular, the simplification of electronic filing of individual tax returns and submission of employees' records has been made less burdensome and makes compliance easier.

The fact that Singapore is at Level 1 does not mean that it is "business as usual". The opposite may be true – that Singapore could move far and fast when the time comes to automate its tax compliance regime.

This is already seen in how the Singapore Infocomm Media Development Authority is the first Pan-European Public Procurement On-Line Authority outside of Europe – and the first in Asia – to launch a nationwide e-invoicing framework in January 2019. The Singapore government is committed to realising its digital vision and this further supports the digitisation efforts of the tax authority.

More widely, tax authorities are leveraging data collected and using data analytics tools to mine for errors, inconsistencies, anomalies and systemic frauds, enabling them to identify tax audit targets and controversies. In Singapore, the use of analytics and forensic tools has possibly helped in contributing to an increase of approximately S$53 million in taxes and penalties recovered through audit and investigation for 2018, an increase of 15.9 per cent from 2017.

Technology is also facilitating the sharing of information by tax administrations globally. The digitisation of country-by-country reports filed by multinational companies enables tax authorities to share them to assess risks, trends and anomalies, thus enhancing their efficiency.

Tax professionals are evolving too

Increasingly, traditional accounting, finance and tax functions are transformed by robotic process automation and new systems that offer real-time collaboration, scenario planning and risk simulation. Repetitive, high-volume tasks and low-value processes can now be performed 24/7 by robotics and artificial intelligence (AI) faster, cheaper and more accurately.

This leaves the tax professional with more time to pursue tax value creation, by using digital and automation tools earlier in the tax life cycle, instead of focusing purely on reporting. However, robotics and AI cannot replace tax professionals completely, particularly in the more technical and subjective areas where human experience, insights and judgment are needed.

Importantly, tax professionals should ensure the tax department is "audit-ready" from a digital perspective. This is because going forward, virtually every company will be "digital" in some way.

Further, there is intense global debate about the taxation of companies that use digitally enabled business models to "reach into" a country with no physical presence that supports digital revenue streams. It is important that such digital businesses, typically running on razor-thin margins, are confident of assessing, quantifying, planning for and complying with a myriad of new laws that aim to levy tax on the profits generated by fast-growing electronic transactions.

These are all contributing to a reshaping of the talent landscape, where hiring multi-disciplinary tax talent has become the de facto standard. The tax profession now competes with other sectors in hiring from the science, technology, engineering and mathematics (STEM) or other STEM-related disciplines. Thus, the recruitment, reward and retention of tax professionals require an entirely different strategy from the past.

Board and management to take the lead

Given the rapid shifts in the tax landscape, companies must now assess their digital readiness and whether their people, legacy systems and processes can support change.

For example, businesses should understand the data requirements of the tax authorities in each of their operating jurisdictions, have the appropriate tools to prepare digital tax submissions, "sensitise" the data for tax purposes and check for errors before filing, and be prepared for clarifications. The close coordination between tax, finance and IT departments is crucial, and is not always a smooth relationship to manage.

In addition, businesses should have the appropriate tools and processes to monitor the company's global tax compliance and reporting obligations, so that they can respond in a timely manner to tax authorities' demands and provide periodic briefings on the tax risks and controversies to management and the board.

What this means is that investments will be needed to enable the tax function to be robust and nimble. It also means that business strategies and revenue creation activities must be viewed with a tax lens during the design stage.

To that end, the board and management must take a proactive role in supporting the tax transformation journeys in their companies, who now have a critical decision to make: do they want to be reactive to regulatory demands and leave little time for value-adding activities, or be proactive with change and better enable their tax professionals to drive value, innovation and, ultimately, contribute to profitability? The answer is clear. ■

Chung-Sim Siew Moon is the EY Asia-Pacific Leader for Tax Policy and Controversy and Partner, Tax Services at Ernst & Young Solutions LLP. The views reflected in this article are that of the author and do not necessarily reflect the views of the global EY organisation or its member firms.

Ensuring the Accountability of Audit and Accounting

By **SHARIQ BARMAKY,** Audit & Assurance Leader, Deloitte Singapore and Southeast Asia

Audit and accounting is often seen as a staid profession. In truth, auditors and accountants have changed much over the years to keep pace with what the world has thrown at them, and there are more changes to come.

Audit and accounting have come a long way in recent years, developing and constantly trying to stay relevant in serving the public interest. These changes have been driven by the dynamics and complexities of the business environment, and they have adversely affected how the profession is often perceived.

Perception of the profession

The fundamental question is whether the profession is fit for purpose in the current business environment.

Over the years, there have been a number of company collapses and scandals. Whilst it is acknowledged that the primary responsibility over the preparation of proper financial statements and maintenance of appropriate internal controls is that of the management and board of directors of a company, these corporate collapses bring to the fore the role and purpose of the accounting and audit profession.

There have been intense debates over the usefulness of current audit and accounting practices. In particular, in the United Kingdom, since the second half of 2018, arising from certain high-profile collapses, concerns have been raised by members of parliament and authorities regarding the independence of the quality of audits (more on this below).

Without doubt, the changes in business models and increasing organisational complexities and structures have caused concern as to whether the profession is keeping up with the non-linear pace of change and whether it can sustain itself in its current shape in the future. There is also an issue with what value an audit provides.

Alongside these changes, there has been an increase in regulation and more demands for transparency and accountability at all levels.

Moreover, the profession has an image problem with young graduates ("millennials") who may not find the profession attractive or "cool". Long hours and perceived slow response to the pace of change add to this image problem.

Finally, the ubiquitous "expectation gap" of an audit report remains and instead of narrowing, has, in fact, grown wider. Whilst there is a sense of appreciation by the stakeholders that the vast majority of audits meet the standards set by the regulators, there remain questions about whether those standards are the right ones for the future. There are debates about what is audited, for whose benefit, the role of professional judgment in audit and how audit fits into the wider financial reporting and corporate governance system.

Transformation under way

Those outside the profession may therefore be surprised to read that transformation is underway in the profession. The reality is that the profession has made significant progress in efforts to transform its image and stay relevant in the current environment, whilst keeping its *raison d'etre* of serving the public interest.

Some changes indicating this resolve are summarised in the box, "Transforming Audit & Accounting".

As can be seen, the profession has relentlessly been updating accounting and auditing standards to address changes that have been happening, e.g. the new, enhanced auditor's report. At the same time, they are eagerly applying new technologies and changing their processes, in particular data analytics to their work. Apart from raising the efficiency and quality of audits and financial processing, analytics is making the work more relevant for younger professionals, as the profession seeks to retain skills.

Transforming Audit & Accounting

Enhanced auditor's report

In 2013, a call was made to revamp the "boilerplate" auditor's report. The result was that the binary, "yes/no" auditor's report was transformed into a document that is now more readable, specific and communicative.

Effective 2016, the enhanced auditor's report introduced a new section "Key Audit Matters" aimed to provide insight and transparency of the audit and require greater engagement between the auditor, management and the audit committee.

The results in the first two years of adoption have been generally positive. The more challenging task now is how the auditors would use it to provide more insights and continuously provide value-add information to the investors.

Technology and analytics

Improvements in analytics capabilities enable auditors to focus on a 24/7 analysis of huge data sets. They can test complete data sets, the whole population rather than just a sample. It enables the concept of continuous audit, testing audit evidence in real-time, with timely identification of issues and focus on anomalies.

Apart from raising audit quality, analytics is making the audit efficient and relevant for younger professionals, some of whom are more interested to join the analytics side of audit than the more traditional accounting side. Efficiency is not about "cutting hours", rather it is about getting to the things that matter more quickly and spending more time on them instead of ploughing slowly through random samples that often tell you very little.

Analytics is also helping auditors to bring more insights to management and audit committees using the data of the company, but analysed and presented to add value to the audit.

New accounting standards

Accounting standards are being amended and revised continually in response to changes in the business environment.

In 2018, there were fundamental changes to accounting standards. Listed companies had to comply with a new accounting framework identical to International Financial Reporting Standards (IFRS). In addition, two new standards came into force, IFRS 15 on Revenue and IFRS 9 on Financial Instruments. From 2019, another new standard, IFRS 16 on Leases will be in force.

Talent and processes

There are initiatives the profession is adopting to attract and retain talent. Use of technology and analytics is helping to move the mundane and somewhat low level work to delivery centres, so that professionals can focus their efforts on more important areas and see their efforts have a more direct impact.

Mobility and emphasis on assurance and advisory work, which is adjacent to the audit business, is providing professionals opportunities to work in emerging areas, different from the traditional "tick and bash" part of the audit work.

Is it enough?

Despite all this, recent events have called into question whether the audit and accounting profession is relevant for the current environment, whether the pace of change in the profession is fast enough, and whether it is attracting and will continue to attract and retain good talent.

Chief among these events are certain company collapses resulting in three reports released in the UK. One was an independent review by Sir John Kingman on the Financial Reporting Council (FRC), which is the UK's audit regulator. The other two reports related to the Competition and Market Authority's (CMA) market study of the effectiveness of competition in the audit market and the Business, Energy, Industrial and Strategy Committee's inquiry on the "The Future of Audit". The resulting report on the impact of the CMA market study and the Kingman review of the FRC focused on improving quality and competition in the audit market and reducing conflicts of interest.

The CMA made significant observations regarding the current state of the profession in the UK: how companies choose their auditors based on a "cultural fit or chemistry" rather than those that offer the toughest scrutiny, and limited choice as the Big Four audit a large proportion of the FTSE 350 companies.

Some of the recommendations of the CMA include joint audits of UK companies listed on the FTSE 350 carried out by at least two firms, with one from outside the Big Four; controls regarding who appoints auditors; and a possible market cap to ensure certain audit contracts are handled by the non-Big Four.

These are far-reaching developments and are being closely watched the world over as to the impact on the profession going forward.

Towards greater accountability

The accounting and audit profession has definitely made progress but the environmental drivers necessitate and demand more changes – not incremental but continued transformation. Furthermore, transparency and quality demands are very high on the agenda.

What an audit is, and expectations around the value of an audit, are important considerations for the future. Calling victory about the expectation gap of the stakeholders can only happen when the auditors become future-ready and use of analytics and smart tools become the norm. What an audit should cover will also need to be clarified, in particular with in regard to fraud and going concern. The standard setters have a very important role to play in this area by setting out requirements for both the company and its auditors.

All of this requires a strong and supportive environment; boards and audit committees in particular must be professionalised and alive to changing and emerging risks. And the regulators and standard setters have a very important role to play as well in seeing to the transformation of and responsiveness to changes by the profession, for example in the areas of crypto currency/initial coin offerings, and use of advanced analytics and the related documentation protocols so as to promote greater understanding and consistency.

Meanwhile, the profession has a key role to play going forward but there is also work to do in the current environment. While there is commitment to change, the profession will need to work with all the stakeholders in the ecosystem, management, directors, standard setters and regulators, to ensure that the transformation journey is successful. ■

Internal Audit for the Disrupted Business

By **TAN BOON YEN,** President, The Institute of Internal Auditors Singapore

As businesses respond to disruption, internal audit is increasingly expected to provide support beyond the traditional compliance and control functions. This requires the internal audit function to disrupt and change itself.

In today's disruptive business landscape and rapid technological changes, business transformation is inevitable. Business models, technology, operations and organisational culture transformation are par for the course for transformation.

To stay ahead, the organisation including its people, processes and systems, must be able to keep pace and effectively manage the emerging risks of business transformation.

Internal audit plays an important role in helping the disrupted business transform and manage its risks.

Internal audit today covers a wide spectrum of activities, beyond the traditional compliance and control function. Increasingly, the stakeholders of internal audit (including audit committees, management and regulators) expect internal audit efforts to be focused on strategic, business and operational areas.

The recent corporate governance changes underscore the importance of internal audit in promoting good governance, risk management and internal control. Under the Singapore Exchange Listing Rules, it is now mandatory for a listed company to establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

In this new context, internal audit needs to also transform itself as it supports the business in its broader transformation.

How should internal audit do so?

Internal audit strategy

Transformation starts with strategy.

A good strategy should begin with a good understanding of the value proposition of internal audit and its mission.

According to the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), internal audit's value proposition to the business include:

- Assurance that the organisation is operating as management intends.
- Insights for improving controls, processes, procedures, performance, and risk management; and for reducing expenses, enhancing revenues, and improving profits.
- Objective assessments of operations.

The IPPF states that the mission of all internal audit functions should be "to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight".

In line with this mission, internal audit's strategic plan should provide a holistic approach that integrates corporate governance, risk management, internal controls addressing financial, operational, compliance and information technology risks.

The internal audit plan must be aligned with the organisational strategic objectives and risks. Changes in the business landscape resulting in a shift in the organisational risk profile would require the internal audit work plan to be

adjusted and realigned, in order to be relevant and value adding.

The head of internal audit or chief audit executive needs to be a strong leader who is both technically competent with good industry knowledge, as well as a strategic thinker. He (or she) needs to be innovative and possess the ability to exercise influence and make a positive difference to the organisation. He needs to communicate well and proactively address stakeholder concerns and expectations.

Last, but not least, the positioning and empowerment of the internal audit function in any organisation should be laid down in an Internal Audit Charter that states and clarifies internal audit's purpose, authority and responsibility. The position, scope and resourcing of the internal function should address the core principles of integrity, competence, objectivity and independence.

Transforming internal audit

According to the IIA's *2018 Pulse of Internal Audit*, to transform internal audit, agility, innovation and talent are key.

First, agility means the internal audit function must be a risk-centric function that is insightful, proactive and future-focused. In the current business landscape, internal auditors need to know the organisation's strategic priorities and risks and be responsive to both existing and emerging risks.

Agility is enabled by an understanding and use of big data and analytics so that audits can be more efficiently executed while generating insights concerning risks and identify new opportunities to drive business value.

To be agile, internal audit needs to collaborate with operational management, compliance and monitoring functions. There is maximum synergy when it leverages on the expertise and knowledge of the respective teams while improving coordination and communications.

Secondly, innovation requires the internal audit function to re-think and re-invent the focus and approach of internal audit.

To do so, it should leverage on the technology super-powers – artificial intelligence, blockchain, cloud and data analytics. A mindset of innovation requires embracing technology in planning the future, not avoiding it.

The breadth and depth of knowledge that internal auditors have of the organisation is itself an engine for innovation and business improvements.

Finally, transformation requires the right talent. It requires internal audit leaders to be strategic business partners and effective change agents.

The internal audit team needs to possess multi-disciplinary skills in order to deal with strategic, business, operational and technology risks and must be technology and data-enabled. At the very core, internal audit staff should be professionally qualified and adopt the IIA International Standards for the Professional Practice of Internal Auditing.

The future

A collaborative model that integrates internal audit with operational management, compliance and monitoring using technology is the way of the future. The "virtual internal audit team" can perform internal audit reviews 24/7 without being physically present.

The future holds many possibilities for internal audit as the profession continues to push on with the transformation of internal audit in a digital world to deliver increasing value to organisations. ■

Transforming Financial Reporting – For Better or For Worse?

By **GERARD TAN**
Former SID council member

COUNTING BEANS

Financial reporting has transformed in the last two decades, as accounting standards have evolved to meet the demands of a global economy. But have the changes been for the better?

Financial statements based on sound financial standards are meant to inform investors, industry and regulators. The accounting standards are meant to ensure the relevance, consistency and reliability of financial statements, and improve the comparability of financial reports across companies.

Two decades ago, financial statements were relatively easy to read and understand. Today, even accountants have difficulty understanding them.

Take OCBC Bank, one of Singapore's largest banks, for instance. For financial year (FY) 2002, its financial statements "prepared under the historical cost convention, modified by the revaluation of certain treasury instruments to market value" were a modest 71 pages.

Fast forward to FY 2018, and OCBC's financial statements report has nearly doubled to 135 pages. More worrying than the growing paper bulk of the statements is the density of the content, which will leave many readers in a tizzy. Consider that the "Summary of Significant Accounting Policies" in OCBC's financial statements has ballooned from less than four pages in 2002 to a staggering 23 pages in 2018.

Changing accounting standards

The sheer amount and speed of change in the business and regulatory environment over the years have exacerbated the increasing complexity of accounting standards.

Singapore Financial Reporting Standards (International) or SFRS(I), the accounting standard for listed companies issued by the Accounting Standards Council, currently comprise 41 Standards, 20 Interpretations, 14 Implementation Guidance and 29 Illustrative Examples.

These standards and their documents are not static. They are continually evolving. Even before a revised accounting standard is issued, numerous amendments would have been introduced to existing standards.

SFRS(I) 9 Financial Instruments, for example, has its beginnings in 1986 as International Accounting Standard (IAS) 25 Accounting for Investments. In 1998, it became IAS 39, then International Financial Reporting Standard (IFRS) 9 in 2009. The latest amendment involves the reclassification of financial assets from four categories (financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets) to three categories (fair value through profit or loss, amortised cost, fair value through other comprehensive income), and the introduction of the Expected Credit Loss model for impairments.

In another example, SFRS(I) 16 Leases, was first published as IAS 17 Leases in 2003. Leases were then classified as either finance or operating leases. In 2019, this distinction was removed. All leases are now recognised by the lessee as assets and liabilities, as opposed to being able to expense off lease payments if it is an operating lease under the old standard.

The prize for the most significant and complex change must go to the mandating of fair value accounting in Singapore in 2003. It is a concept which started without too much fanfare then but has since grown so complex that it challenges even trained accountants. The ramifications of fair value accounting have been previously covered in this column (See "Bring Back Conservatism" by Willie Cheng in the Q2 2019 issue of *Directors Bulletin*).

Confidence in financial statements

While the range and complexity of accounting standards and their application may be hard to comprehend, the irony is that the diligent reader that does understand the financial statement may end up losing confidence on its reliability in portraying reality.

One reason is that many of the standards require estimates and judgement calls to be made that can be wide off the mark, even when done in good faith.

This is especially so in fair value accounting. Over time, a myriad of methods to apply fair value have been experimented. The latest three-level framework in SFRS(I) 13 Fair Value Measurement allows management to game the numbers with Level 2 (Indirectly Observable) and Level 3 (Not Observable) inputs.

The second reason is that the standards may not be accurate despite all the hard work put into setting and refining them.

For example, the Hyflux saga exposed an inadequacy in SFRS(I) 1-32. The company raised S$400 million from perpetual preference shares in 2011 and S$475 million in perpetual capital securities in 2014. These instruments paid dividends and would ordinarily be classified as financial liabilities. However, the instruments gave the company the right to defer the cash payment indefinitely and thus could be classified as equity under SFRS(I) 1-32. If Hyflux had to reflect the nearly S$270 million dividends paid between 2011 and 2017 as "interest", the reported pre-tax profit of S$156 million for that period would have turned into a loss of S$113.7 million.

It is hard to ask the layman to have faith in the accuracy of financial statements when "true and fair" actually relates to the prevailing accounting standards, which change from year to year. In fact, the accounting standards did change in a major way in 2018 when listed companies had to transition from FRS to SFRS(I). (See "'True and Fair' in Times of Change" by Gerard Tan, in the Q1 2019 issue of *Directors Bulletin*).

Resetting standards

To be fair, accounting standards are being developed and changed in response to the rapidly changing business needs. However, it is simply impossible to establish rules for every conceivable product, service and business transaction type.

It is time for the accounting profession to hit the reset button and go back to basics.

The industry has to take a good, hard look at those standards which are overly complex, and single out those which allow for gaming of the system. Companies should not be able to hide behind the complex web of rules. Financial statements should be, as far as possible, easily understandable, with notes to financial statements written in plain English. ■

AC Pit Stops

Disrupting Technologies Impact on Internal Audit

On 25 April 2019, more than 25 participants attended the session on "Auditing and Disrupting Technologies Impact on Internal Audit" held at Capital Tower. The presentation, held in collaboration with the Institute of Internal Auditors Singapore (IIA), was conducted by Mr Norman Marks, an author, speaker, thought leader and retired Chief Audit Executive.

Mr Marks covered the role of internal audit, the challenge of disruptive technology, its related risk and how internal audit can help. An effective internal audit function should include communication of information which requires action, such as what leaders need to know to achieve the organisation's objectives, help the organisation create value and take the right level of risk.

With regards to disruptive technology, audit committees need to weigh the value of opportunity against the potential for harm. While it is not the role of internal audit to identify or assess emerging risks, internal audit teams can help assess whether risk management meets the organisation's needs. The internal audit can help to assess management's visibility, new technology and the ability to identify and address potential harms. ■

Pointers for ACs on Business Valuation

More than 30 directors and senior managers turned up for the presentation on "Business Valuation – Key Points for the Audit Committee", presented by SID in collaboration with the Institute of Valuers and Appraisers, Singapore. The event took place at the Ocean Financial Centre on 16 May 2019.

Ms Srividya Gopalakrishnan, Managing Director, Duff & Phelps Singapore, dived into the rationale for fair valuation, in the context of the dynamic business environment, regulatory changes and disruptive technology. She gave an overview of relevant fair value standards (IFRS 13 – Fair Value Measurements; IFRS 9 – Financial Instruments; IFRS 3 – Business Combinations; and IAS 36 – Impairment of Assets), using case studies to illustrate.

Fair value accounting has become a key accounting concept that represents a significant

shift in the way we look at financial reporting. Ms Gopalakrishnan addressed how international valuation standards are used for financial markets, secured lending, financial reporting and regulatory compliance.

In Singapore, most public company transactions do not require independent valuations. Also, there is no guidance on the qualifications and experience for valuers in cases where independent valuation is mandated. Hence, it becomes the responsibility of directors to ensure quality and governance. ■

Current Topic Series

Board Leadership for Cyber Resilience

On 4 April 2019, SID held a session on "Board Leadership for Cyber Resilience" at One Raffles Quay. The three co-presenters were Mr Francis Kean, Executive Director, FINEX, Global of Willis Towers Watson; Mr Jonathan Crompton, Partner, Reynolds Porter Chamberlain; and Ms Jessica Wright, Cyber Leader, Asia, Corporate Risk & Broking, Willis Towers Watson.

The presenters highlighted the governance of cyber risks and resiliency, the latest developments in cyber risk management strategies, and the domestic and international regulatory landscape for managing and reporting on data security and cyber security risks.

Participants gained useful insights on the main protections against liability for directors, directors and officers liability insurance, corporate indemnification, minimising and managing cyber risks, and crisis response process flows. ■

Cyber Security Threats and Data Breaches

Close to 50 participants attended the presentation on "Cyber Security Threats and Data Breaches" at the Marina Bay Financial Centre Tower 3, on 9 April 2019. With the subhead, *What can directors learn from the healthcare sector lapses in Singapore?*, interest was high in the latest developments, following the recent data breaches.

Mr John Yong, former Group Director, Infocomm Security Group of the Infocomm Development Authority of Singapore (now GovTech), opened the presentation with an overview of common cyber threats. The Public Report of the Committee of Inquiry into the Cyber Attack on Singapore Health Services' Patient Database highlighted the lack of cyber security awareness, training and resources on the part of staff at the Integrated Health Information Systems (IHiS). Further, vulnerabilities, weaknesses and misconfigurations in the SingHealth network contributed to the attacker's success in infiltrating the database.

Mr Tham Sai Choy, Chairman, SID, next addressed how boards should respond and take responsibility for governing cyber risk. He urged boards to consider cyber security as part of major board decisions and be ready when a major breach happens.

Mr Lam Chun Nian, Partner, Head of Intellectual Property, Technology and Media, Telecommunications and Data Protection Practices, WongPartnership, highlighted the legislative, regulatory and stock exchange obligations of directors. Cyber risks, he stressed, are not just an IT issue or the CTO's problem. The session concluded with a robust panel discussion by all three speakers, moderated by Ms Poh Mui Hoon, Council Member, SID. ■

Current Topic Series

Data Protection and Cyber Security

Close to 40 participants attended the SID session on "Grappling with the Challenges of the Digital Economy in the Context of Data Protection and Cyber Security" on 16 April 2019 at Capital Tower. Mr Steve Tan, Partner and Deputy Head of Technology, Media and Telecommunications, Rajah & Tann Singapore presented the session.

Data breaches happen all the time, said Mr Tan. Using real-life examples of businesses affected by data breaches (JP Morgan, Nanyang Polytechnic, IHiS, SingHealth, Deloitte), he emphasised that breaches happened to even reputable companies. This makes it challenging to forecast patterns for prevention.

Mr Tan updated the audience on what to look out for in the Personal Data Protection Act (PDPA)

guidelines for NRIC and other National Identification numbers as of 31 August 2018. Alluding to the recent data breaches at Singapore health services systems, he advocated frequent cyber/data breach simulation exercises. Staff should also be provided with sufficient resources, to mitigate data breaches.

Mr Tan concluded the session with the implications of the General Data Protection Regulation (EU) for Singapore domiciled organsiations. ■

Blockchain for Directors

With the pace of change accelerated by the confluence of globalisation and technological disruption, emerging technologies such as blockchain are the next big thing. A total of 25 participants attended the session on "Blockchain for Directors" at Capital Tower on 30 May 2019.

Jan Reinmueller, Partner, Head of Digital Village, KPMG Singapore, and Michael Cutler, Chief Data Officer of KPMG Singapore, set the stage with an overview of blockchain that enables efficient transactions between two parties in a verifiable and permanent manner.

Key benefits include cost efficiencies, real-time data, greater security and transparency, stronger control of personal data, and more collaboration among different organisations. By minimising fraud and corruption, blockchain helps to enhance good corporate governance practices. However, companies

should still assess if blockchain is appropriate for their business models, i.e. fit-for-purpose.

The speakers also touched on the limitations of blockchain. Apart from the slower transaction speed in public blockchain, other attendant issues revolved around forging consensus among different organisations on ownership, liability matters and the need for harmonisation of different regulations.

It was an engaging session where participants were encouraged to brainstorm on how blockchain could be used in diverse industries. ■

Breaking the Rules – An Insider's Perspective

Mr Andrew Fastow, former CFO of Enron, shared his personal journey and lessons from the Enron saga in an exclusive session with SID members at the Marina Mandarin Singapore on 14 May 2019. Almost 20 years ago, the collapse of the energy giant caused widespread financial losses, with one the fallouts being a jail term for Mr Fastow.

Offering a thoughtful review of the Enron collapse, he labelled the crisis as a failure of culture and not a compliance failure. Explaining that a corporate culture based strictly on "following the rules" could in fact be mining the rules for loopholes, he surmised that rules and regulations were often complex, ambiguous and easily exploited.

In retrospect, Mr Fastow reflected that directors should ask questions of management, stand firm

on principles and object to misleading deals. A good rule of thumb is to ask if the deal would be done differently if the company is privately owned. Artificial intelligence software can also alert directors to shifts in data within the company, without over-reliance on management reporting. Transparency, accountability and board culture are ultimately what matter. ■

Webinar – Amazon's Approach to Innovation

On 30 May 2019, participants tuned in to an SID webinar on "Amazon's Approach to Innovation". Mr Dipen Mehta, Head of Digital Innovation, Asia Pacific, at Amazon Web Services (AWS) shared insights into Amazon's "Working Backwards" mechanism which facilitates innovation initiatives.

Increasingly, listening to what customers want and measuring customer impact are critical. With that in mind, AWS works "backwards" to resolve their customer needs. The resulting four pillars in the innovation approach are (1) lean enterprise; (2) adaptation and learning new things; (3) minimum viable product, and (4) empowerment and ownership.

In essence, flexibility and agility can help a company listen to customers, learn and grow. For example, AWS hires "builders", or people who want to build and create new things, so they are responsible

for their own outcomes. Some of the tools to help in this process are the press release (to address the issue), the frequently-asked-question format (to serve as the business model), and the prototype (to start experimenting and prepare for launch of the new product).

Participants were rewarded with a lively discussion on how Singapore businesses can adopt these concepts to improve on innovation and creativity. ■

NonProfit Organisation Forum

Board Culture, Ethics and Governance

Close to 500 participants from over 290 charities turned up at the groundbreaking forum for nonprofit organisations (NPOs), which featured a session with the Commissioner of Charities (COC), Dr Ang Hak Seng. The event, "In Conversation with COC: Board Culture, Ethics and Governance", was organised by SID and the COC, supported by the Charity Council, and held at the Devan Nair Employment and Employability Institute on 5 April 2019.

In his welcome address, Mr Tham Sai Choy, Chairman, SID, emphasised that all boards, whether for-profit or not-for-profit, should care about corporate governance. Professor Mak Yuen Teen, Associate Professor of Accounting, NUS Business School, expanded on this theme, with his presentation on "Why Good Boards Fail". He listed the attributes of good boards, gave tips on how to select suitable directors, and highlighted weaknesses that might cause boards to fail.

This was followed by a sharing session by the winners of the Charity Governance Award, namely Mr Jeffery Tan, CEO and Secretary, MINDSET Care Ltd; Mr James Chua, COO, New Hope Community Services; and Ms Theresa Goh, Chairman, SATA CommHealth. The speakers offered insights into how a holistic approach to good corporate governance can put organisations on the right track. This includes instituting the right values and proper processes throughout the organisation, for effective and sustainable outcomes.

A panel discussion followed, with Dr Gerard Ee, Chairman, Charity Council, as the moderator.

Prof Mak, Mr Tan, Mr Chua and Ms Goh took questions from the floor.

Next, Mr Tay Yong Seng, Partner, Allen & Gledhill LLP, highlighted key amendments to the Charities Act. Following which Dr Ang presented on "Productivity for Charities", covering the Visibility Guide and Code for Commercial Fundraisers (adapted for charities). He urged NPOs to raise their productivity, with the objective to uplift skillsets and competencies to professionalise the sector.

The session ended with a Conversation with COC, with staff from COC's Office addressing queries from participants. The COC noted that new initiatives were in in the works that would help lift the NPO sector, and he urged charities to make full use of the resources made available to them.

"We find a lot of common ground in the Code of Corporate Governance applied to listed companies that could be and should be applied to nonprofit organisations."

Mr Tham Sai Choy, Chairman, SID

"We have long held listed companies to a high standard of good corporate governance – it is timely that nonprofit organisations are also held accountable to their stakeholders and there should be a proper whistleblowing mechanism in place for NPOs."

Mr Jeffery Tan, CEO & Secretary, MINDSET Care Ltd

"Good ethics builds trust, and trust is something that takes a long time to be built up but which can be quickly destroyed with just one adverse incident."

Mr James Chua, COO, New Hope Community Services

"In addition to the usual attributes of integrity and competence, we want people with the courage to ask the right questions and ability to debate vigorously. We also want people who can commit their time to attend board meetings. You should be a director for the right reason and ask yourself what you can do for the organisation."

Prof Mak Yuen Teen, Assoc Prof of Accounting, NUS Business School

"A sound moral compass is subjective in this 21st century. Very often, we tend to make decisions based on the outcome. That, to me, is wrong and we should be clear that our actions are ethically right regardless of the outcome they generate."

Ms Theresa Goh, Chairman, SATA CommHealth

Panel Discussion

L-R: Gerard Ee, Chairman, Charity Council; Mak Yuen Teen, Assoc Prof of Accounting, NUS Business School; Theresa Goh, Chairman, SATA CommHealth; James Chua, COO, New Hope Community Services; Jeffery Tan, CEO & Secretary, MINDSET Care.

On Ethics

"Humans may be all too effective at rationalising our behaviour and actions but the question we have to ask ourselves is if this is the right thing to do."

Dr Gerard Ee,
Chairman, Charity Council

"As a general rule of thumb, to ensure good ethics, you should ask yourself if doing something feels right, or how you would feel if something you are doing gets published in the papers. If you are not comfortable with that, then it probably is not the right thing to do."

Prof Mak Yuen Teen

"Suppose you use a compass and deviate by just one degree off the actual reading. No doubt it may be insignificant over a short distance, but I assure you it will be of major significance after a longer distance. So do not stray from the right ethics in the first place."

Mr Jeffery Tan

On Toxic Boards

"The tell-tale signs are a controlling board, overly demanding chair and overly submissive board members. An ideal board should be akin to that of a band conductor that brings everyone together."

Ms Theresa Goh

"One key tell-tale sign is long-serving directors."

Prof Mak Yuen Teen

"One sign is the presence of all yes-men among the board members. We all have blind spots but we should all be open to diverse views."

Mr James Chua

"In Asia, board members tend to accord great respect to the board chairman. But respect that results in excessive deference may not be good. Board directors should strive to engage in candid and respectful discussion with one another to make for an open and constructive dialogue."

Mr Jeffery Tan

On Board Renewal

"As a director, you must be prepared to step aside when the time comes for you to do so; and to walk away when it does not feel right. Of course, one should not walk away immediately unless one is the source of the issue."

Prof Mak Yuen Teen

"When Prof Mak invited me into SATA CommHealth to chair the Governance & Nominations Committee, I instituted the 10-year tenure for board members which meant that he had to step down, and I told him so. He willingly obliged and set an example that became ingrained in the boards' mindset. The board needs to buy in to the necessity of well governed board renewals."

Ms Theresa Goh

"The recent revision to the Singapore Code of Corporate Governance for listed companies regarding the nine-year rule for independent directors to enhance board renewal is an excellent initiative and nonprofit organisations could take a leaf from that."

Mr Jeffery Tan

On Director Appointments

"How do you suggest we evaluate intangible attributes such as candidates possessing the right values and having a good cultural fit for the organisation?"

Ms Wen Yi,
Director, Just Cause Pte Ltd

"The organisation should consider conducting proper interviews and reference checks on the candidate."

Prof Mak Yuen Teen

"We conduct behavioural interviews where we pose situational questions to candidates to assess how they would fare in potential situations. I also emphasise the importance of conducting reference checks."

Ms Theresa Goh

On Board Dynamics

"The ultimate decision whether to walk away or to stay on reflects on the director's expectations and is part of their learning journeys as directors too. My hope is that while they may walk away the first time, they do not do it again as this reveals a compromise in their values."

Ms Theresa Goh

"Governance may be important. But one should be mindful not to ram stuff down others' throats. Respect is also paramount to ensure a constructive board relationship."

Prof Mak Yuen Teen

"There definitely should be a feedback mechanism and staff or board members should not hesitate to resign in the event of no resolution to send a strong signal on the importance of equal partnership to the organisation."

Mr James Chua

The Charities Act Amendments

Mr Tay Yong Seng, Partner, Allen & Gledhill LLP, gave a broad overview of the amendments to the Charities Act. The objective of the amendments is to better protect both charities and donors by:

i. Strengthening the governance, accountability and transparency in charities and fundraisers in Singapore.

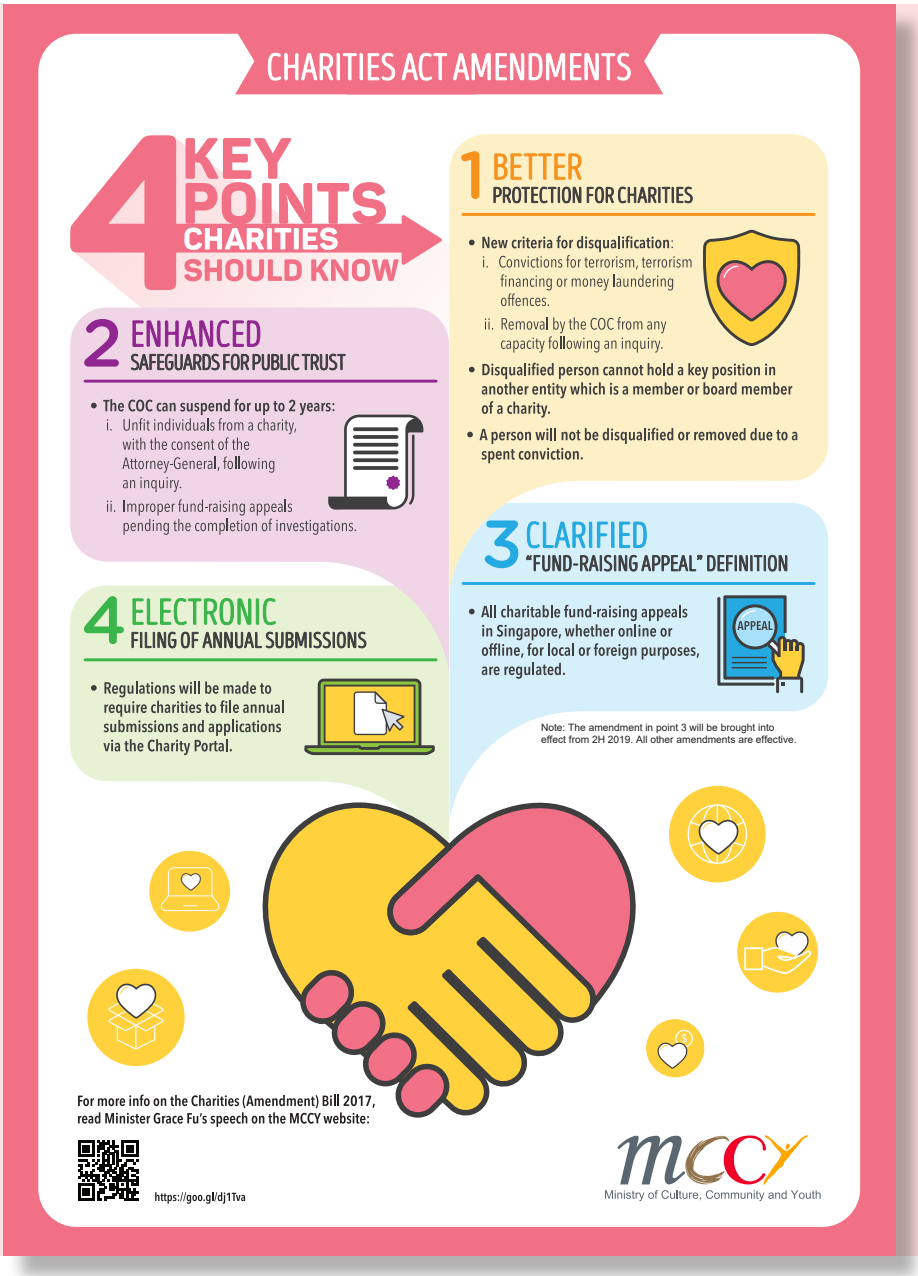
ii. Enhancing the regulatory powers of the COC so as to maintain a high level of public trust and confidence in the charity sector.

An overview of the 2018 Amendments included:

i. Updated provisions for disqualification, removals and suspension of office holders in a charity;

ii. Strengthened regulatory regime for fundraising activities;

iii. Enhanced regulatory powers of the COC.



In Conversation with COC

L-R: Kelly Teo, Senior Assistant Director (Outreach); Joyce Lim, Senior Assistant Director (Sector Regulation); Ang Hak Seng, COC; Sim Hui Ting, Deputy COC; Cheng Min, Assistant Director (Sector Regulation & Policy); Crystal Du, Senior Assistant Director (Sector Regulation & Systems).

Dr Ang Hak Seng, COC, addressed the audience on "Productivity for Charities" framing it in terms of:

- Input: Amount of donation received.
- Process: Ability to stretch the donation received and maximise the value.
- Output: Make a difference and impact lives.

Dr Ang shared that charities could leverage on technology, such as online platforms and QR code for fundraising. Such media provide a wider donor reach and also improves accountability. He also highlighted the Code for Commercial Fundraisers which was launched in March this year. The Code incorporates both legislative requirements and professional standards which the COC expects commercial fundraisers to adhere to, and is also applicable to charities that engage commercial fundraisers, and charities that engage volunteers to fundraise on behalf of charities.

Dr Ang also shared that Singapore Cares (SG Cares), a national movement to support the efforts in building a more caring and inclusive society, will be ramping up its efforts in the area of SG Cares Volunteer Centres (VCs). The objective of the VCs is to coordinate efforts and match supply and demand of needs within the community.

The afternoon session closed with a Conversation with the COC. A question-and-answer approach was taken whereby participants were invited to raise issues and provide feedback. Key points raised included conditions to issue tax deductible receipts, background checks on incoming board members, streamlining of administrative processes, and instituting greater trust in the charity sector.

In conclusion, the COC provided assurance that reviews are on-going to help charities, especially small charities, in areas such as streamlining of certain administrative processes. The COC currently also has four shared services partners who are able to provide assistance in electronic regulatory submissions, governance-related matters, talent management and technology solutions. The Charity Council also has the VWOs-Charities Capability Fund (VCF) which is a grant for charities to utilise to enhance their governance and management capabilities. ■

Inaugural SGOOD Programme Launch

The Singapore Governance for Outstanding Organisation Directors (SGOOD) programme for nonprofit organisations (NPOs) was launched with the first module on the "Essentials of NonProfit Board Leadership" on 15 May 2019. Held at the Social Service Institute, the inaugural session attracted close to 40 participants, mainly directors from charities and NPOs.

Organised by SID in collaboration with the National Council of Social Service, the series of courses are pre-approved for the VWOs-Charities Capability Fund (VCF), and all exempt, registered charities and Institutions of a Public Character (IPCs) can apply for the VCF training grant.

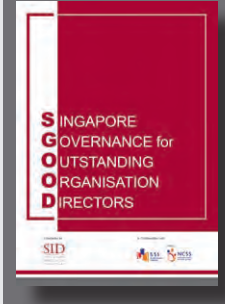
Good governance and ethics

The session kicked off with a broad overview of the non-profit landscape in Singapore. Ms Theresa Goh, Chairman of SATA CommHealth and Chairman of the NonProfit Sector Committee, SID, shared about SID's role and mission to foster good governance and ethics in NPO leadership. She also spoke about how different organisations within the nonprofit sector can come together.

"Collaboration should be the primary approach in the not-for-profit sector."

Ms Theresa Goh
Chairman, SATA CommHealth

Highlighting three main areas – training, advocacy and sponsorship – Ms Goh said collaboration can bring organisations together and make them stronger. SID, the Centre for Non-Profit Leadership and National Volunteer and Philanthropy Centre were some of the resources available to NPOs, she added. For example, SID's role in promoting excellence in directorship and corporate governance has brought together various NPO leaders and industry practitioners in the SGOOD programme.



SGOOD modules	At a glance
1. Essentials of NonProfit Board Leadership 2. Board Dynamics 3. Board and Management Dynamics 4. Talent and Volunteer Management 5. Strategy and Board Performance 6. Financial Management and Accountability 7. Fundraising, Outreach and Advocacy 8. Social Trends	*What* – A development programme for nonprofit directors comprising eight modules *Why* – To strengthen nonprofit organisational effectiveness *Who* – Board and council members of nonprofit organisations *When* – May to December 2019 *Where* – Social Service Institute

Charities and Board Governance

Dr Ang Hak Seng, Commissioner of Charities and Deputy Secretary, Ministry of Culture, Community and Youth, acknowledged that NPOs attract individuals who are passionate and dedicated to the cause. Knowledge, skills and positive attitude are fundamental drivers behind every board member.

Dr Ang shared seven disciplines of high performing charities, of which effective leadership is key. Leaders can add value to their organisations by having the vision and ideas, and also guiding the charity in translating the ideas into action.

Improving the sector

Giving stakeholders a part to play creates greater involvement and understanding between the management of charities and those at the frontline. In addition to empowering stakeholders, donor education on safer giving is important. Dr Ang shared a three-step guide – "ask, check and give" – for donors so that they can conduct their basic due diligence to prevent their donations from falling into the hands of sham charities.

Greater coordination and collaboration between NPOs can help avoid overlap and duplication of resources. This will also enable more meaningful and purposeful volunteer opportunities when demand and supply are matched successfully.

"Passion is important but you also need skills."

Dr Ang Hak Seng
Commissioner of Charities

Dr Ang urged the participants to consider if Singapore, as a first-world country, possessed a first-world social service. The SkillsFuture initiative is a key resource which nonprofit professionals can tap on to upgrade their skills. This is a focus area of the COC, and an upcoming initiative to encourage charities to professionalise will be done through a pilot programme with a university.

Urging NPOs and charities to keep abreast of technological advancement, Dr Ang pointed to new digital processes and technology that can be harnessed for more impactful results, such as online fundraising methods. Dr Ang also stressed that transparency and accountability are the cornerstones of the NPO sector.

Seven disciplines of high performing charities

Conformance versus Performance

Ms Anita Fam, President of the National Council of Social Service (NCSS), presented on how boards need to have a clear role within the NPO, to ensure their value-added contribution to the organisation. Sharing the NCSS's Five Year Plan (2017-2021), Ms Fam described how the roles of the board fall into three broad categories: (1) Governance; (2) Financial management, and (3) Performance.

Effective governance can help ensure the longevity of the NPO, set the strategic direction and ensure that there are checks and balances. Micro-management by board members is not effective governance, stressed Ms Fam. Board members must understand their roles and responsibilities as directors and differentiate between strategic versus operational roles. Directors should also develop their core competencies through training and professional development.

Boards must also ensure proper accountability to maintain public trust. And directors must have proper oversight of financial management, such as ensuring that documentation for all decisions, declaration of conflicts of interest, and investment policy for reserves management are in order. Financial controls must be implemented, including procurement and payments, financial reporting and related party transactions.

"Governance is not management."

Ms Anita Fam
President, National Council of Social Service

Drawing from personal experience, Ms Fam described how boards can help to drive the NPO's performance through mentorship, and ensure fair compensation and recruitment for strategic positions. Board renewal and a succession plan are important means to ensure that fresh ideas and innovation can continue to drive performance.

In summary, board members must understand the organisation's mission and make sure that everyone is on same page and knows what it takes to fulfil the mission. Board performance evaluation and talent management are part of the process to inspire and catalyse organisational culture.

Ultimately, the NPO sector has to leverage social innovation, technologies, enterprise and other trends on the horizon to improve the effectiveness of NPOs.

The "Head and Heart" of a NonProfit Leader

L-R: Gerard Ee, Chairman, Charities Council; Theresa Goh, Chairman, SATA CommHealth; Anita Fam, President, National Council of Social Service; Gregory Vijayendran, President, Law Society of Singapore; Laurence Lien, CEO, Asia Philanthropy Circle.

Dr Gerard Ee, Chairman, Charity Council, presented on what it takes to be a director in the nonprofit sector. Key words that come to mind are commitment, strength and passion – which represent the "heart" of the NPO director.

More importantly, board members must be accountable and responsible, and also understand the legal responsibilities of NPO directors. These are part of the "head" of the NPO director. Drawing a line under the main responsibilities of a nonprofit leader, Dr Ee named three key responsibilities that cannot be delegated. They are:

- Trusteeship for the stakeholders
- Fiduciary responsibility
- Ensuring staff serve the board's policies

To safeguard stakeholders' interests, directors of NPOs must act in the interest of the charity, be accountable to stakeholders, and separate clear responsibilities between the board and management. To value-add to the charity, NPO directors must be far sighted, add value to the organisation with specific skillsets, and remain focused on the outcomes.

A panel discussion moderated by Mr Laurence Lien, CEO of the Asia Philanthropy Circle closed the session. Members of the panel comprised presenters Ms Goh, Ms Fam, Dr Ee and guest Mr Gregory Vijayendran, President of the Law Society of Singapore.

"Stewardship is an ethic that embodies the responsible planning and management of resources."

Dr Gerard Ee
Chairman, Charity Council

Participants raised many issues, with a recurring theme being, "What should NPOs do about nonperforming CEOs?" On the subject of board and management dynamics, the panel members summarised that the board must set clear goals and benchmarks for the CEO. The nonperforming CEO should be given a one-year period before reviewing the goals together. The board can also set up an independent transition taskforce to come up with a succession plan. And finally, if all else fails, the role of CEO can be changed to consultant, with mutual consent.

The workshop concluded with a written feedback session, with many participants voicing support for more sharing by industry veterans. ■

Business Future Series

Disruptive Technologies for Directors

Around 30 directors and senior management attended SID's Business Future Series module on "Disruptive Technologies for Directors" at Raffles City Tower on 10 April 2019. The highlight was a tour of Accenture's facilities that showcased new and enhanced innovation and software application development cycles.

Mr Adam Burden, Global Lead, Advanced Technology and Architecture, Accenture Technology highlighted some emerging trends shaping businesses. These shifts provide an overview on how digital saturation is raising expectation and risk across industries and how businesses need to seek new ways to differentiate themselves.

Participants were treated to a presentation on extended reality, blockchain, agile leadership and cyber security by Mr Daniel Gunawan, ASEAN

Lead for Advanced Technology and Architecture, Accenture. Following which the Accenture Liquid Studio team conducted an interactive tour that showcased "live" demonstrations, such as face recognition technology.

The session closed with a lively panel discussion by Mr Peter Yuan, Managing Director, Technology, ASEAN, Accenture, Mr Low Huan Ping, Director of Keppel DC REITs and M1 Limited and Mr Robert Chew, Council Member, SID. ■

Data Analytics and Artificial Intelligence

Close to 30 participants turned up to learn more about "Data Analytics and Artificial Intelligence (AI) for Directors" on 3 May 2019 at the M Hotel. Mr Rajesh Iyer, Partner, Data Analytics and Advisory, ASEAN, EY, kicked off the session with an overview of data-driven innovation and its supporting ecosystem.

Dr Cao Hong, Head of Data Science and ASEAN Trusted AI Lead, EY, next presented on the need for a holistic approach to ensure a successful analytics journey. Using case studies, he highlighted how different industries and technical domains benefited through the use of available tools, methodologies and professional services to manage data-driven transformation.

This was followed by a presentation by Mr Alex Hutchison, Director, Strategist and Lead of EY

Wavespace, who spoke on the role of the board and how directors can apply design thinking to develop data-driven innovation roadmaps to prioritise strategy and types of operating models for driving technological and data innovation.

The session concluded with a spirited panel discussion led by the presenters, plus Mr Vinod Kumar, Senior APAC Technical Lead from Microsoft and Dr Ying Teng, Senior Data Scientist from EY. ■

Preview of the SID-SMU Directorship Programme

In a strong show of support, around 80 people turned up at the preview session of the SID-SMU Directorship Programme (SDP) on 7 May 2019 held at the SMU Campus.

Since its inception in 2007, SID has collaborated with the Singapore Management University (SMU) to offer the customised directorship programme. Comprising six modules, the programme provides a 360-degree board-level view of key strategic areas and issues faced by company directors.

In her welcome remarks, Dr Katharina Lange, Executive Director, SMU-Executive Development, highlighted that most companies are still improvising their digital transformation due to a divergence of opinions. Added to that, Dr Wilson Chew, Chairman of SID's Professional Development Committee, noted that the role of

boards is becoming increasingly complex with the rapidly evolving business landscape. Hence, the importance of the SDP in preparing board directors to handle these challenges.

Past alumni were invited for an interactive panel discussion led by Dr Les Buckley, SDP Programme Director. Sharing their personal board experiences, they expounded on some of the benefits they gained from the course.

The session concluded with a symbolic signing between SID and SMU to mark a further three years of collaboration. ■

Chairman's Conversation

Cyber Risks for Boards

Deloitte hosted 12 Board Risk Committee (BRC) chairmen on 30 April 2019 to discuss the topic "Cyber Risks" at JW Marriott Hotel. The speakers Mr Thio Tse Gan, Executive Director, Southeast Asia Cyber Risk Leader and Ms Edna Yap, Executive Director, Cyber Risk Services, highlighted how board oversight of cyber security is critical.

Common cyber-attack techniques, such as malware, phishing and denial-of-service can compromise a company's performance. On top of that, ramifications of cyber incidents are potentially vast, in terms of reputational risk and cost of recovery.

Boards must set the tone at the top. This involves fostering a cyber-aware culture, assessing and approving the cyber-security framework, establishing senior management accountability to ensure efficient governance and delegation,

and continuous monitoring for review and enhancement of the framework.

Companies can consider adopting a co-source model, as opposed to a pure outsourced model. This can help diversify risk and strike a balance between isolating networks and minimising disruption to operations. Boards should also ensure adequate management support and budget to support cyber initiatives, including "live-fire" exercises, to equip board and management to identify and handle cyber incidents. ■

Masterclasses

The Director as an Innovation Driver

On 16 May 2019, Dr Wilson Chew, Partner, PwC Singapore conducted a Masterclass session at the M Hotel, on "The Director as an Innovation Driver", for a group of directors and senior management.

Some of the ways in which boards can drive innovation include fostering an innovative and collaborative organisational culture; formulating a strategy with clear objectives and investment priorities; creating profitable offerings for idea generation and development; continuously improving portfolio, and testing and scaling good ideas while abolishing bad ones.

At the same time, boards must ensure key committee functions, such as audit, risk, remuneration and nominating, are efficiently run, said Dr Chew. This will help drive innovation efforts by the board. With the right mix of core,

transformational and adjacent initiatives, boards can ensure adequate funding, integration, talent and pipeline management.

Identifying new areas of innovation calls for an analysis of internal capabilities and external opportunities, with a focus on product differentiation to drive equity performance. Companies seeking to bolster digitisation, innovation and global expansion need to have a corporate mindset that drives value creation. ■

Strategy at the Board Level

On 17 May 2019, Dr Wilson Chew, Partner at PwC, conducted a Masterclass session on "Strategy at the Board Level" at the M Hotel. He emphasised to the audience of directors and senior management how boards should drive strategy formulation.

This requires a balance between collaborating with management, and maintaining a distance to adopt a helicopter view. Boards must have a detailed understanding of the organisation and ask pertinent questions. For example, strategy retreats are a conducive tool for board members.

The next step of strategy execution is just as important. Developing a measurement system that effectively monitors the outcomes and performance drivers of the strategy must be at the vanguard of efforts to achieve this, with an eye on continuous review and refinement.

To transform proposals into strategic initiatives, Dr Chew outlined the four fundamental steps to be undertaken by boards. This entails (1) validating the benefits, (2) assessing the risks, (3) approving an implementation roadmap, and (4) monitoring and reviewing the execution. For this to work, close collaboration between boards and management is essential. ■

Singapore Listed Entity Director Programme (Presented in Mandarin)

To promote good corporate governance, SID, with the support of Singapore Exchange (SGX), launched the Listed Entity Director (Mandarin) [LEDM] Programme – core modules. The course is specially designed for China-based senior management and directors of Singapore-listed companies to enhance their appreciation and understanding of Singapore's regulatory environment.

Close to 30 directors and senior management attended the training programme held at the Grand Millennium Beijing from 22 May to 24 May 2019. The course was held in Mandarin over two and a half days.

The first run of the LEDM programme comprised four core modules which are prescribed under Practice Note 2.3 of SGX Mainboard Rule 210(5)(a) and Practice Note 4D of Catalist Rule 406(3)(a) where it is mandatory for first-time directors to attend within their first year of appointment.

The four core modules focus on the essentials of the listed entity environment, board dynamics, board performance and stakeholder engagement. Aimed at equipping directors with the skillsets and knowledge to execute their board roles effectively, the modules were presented by corporate governance professionals and industry practitioners.

The four elective modules, which focus on the work of the four main board commitees – the Audit Committee, Board Risk Committee, Nominating Committee and Remuneration Committee – will be conducted in Mandarin, at the Marina Mandarin Singapore, from 7 to 8 August 2019. A certificate of attendance will be issued by SID upon successful completion of each module.

Ms Wee Woon Hong, Principal Partner of Opal Lawyers LLC and Mr Hee Theng Fong, Consultant, Eversheds Harry Elias Partnership LLP guided participants through LED Essentials (LED 1). The syllabus dealt with general compliance requirements, and the roles and responsibilities of directors.

Mr Chia Kim Huat, Regional Head, Corporate and Transactional Practice, Rajah & Tann Singapore LLP, covered Board Dynamics (LED 2) which dealt with board-management dynamics and how to facilitate an effective board. And Mr Xian Ming, Overseas Project Director, Sinochem, recapped the dual role of the board in conformance and performance on Board Performance (LED 3). Both presenters covered Stakeholder Engagement (LED 4) which explores the duties of the board in relation to stakeholders.

L - R: Wee Woon Hong, Hee Theng Fong, Chia Kim Huat, Xian Ming.

Learning through case studies

Various case studies were shared by the trainers to help participants better understand the director's role and responsibilities on the board. Overall, participants appreciated that the programme was condensed within a two-and-a-half day session. In particular, the level of detail and the use of real-life case studies were useful. The speakers' expertise and knowledge were extremely helpful in clarifying issues raised in the question-and-answer sessions, said participants.

"The speakers, together with representatives from SGX, presented the principles and illustrated with case studies which resonates better than just plain textbook reading.

The local Chinese speakers added more value to the course with their sharing of experiences."

Mr Wong Kee-Hau
Non-Executive Director, Shanghai Turbo Enterprises Ltd

"As a newly-appointed director, the intensive three-day course was an excellent opportunity for me to better understand the spirit and regulatory framework of SGX, board dynamics, corporate governance and sustainability. I particularly benefited from speakers' experience sharing and case studies, which offered up-to-date insights on the director's role in promoting and creating company value."

Ms Heman Leung
Executive Director, Luxking Group Holdings Limited

"With the rapid changes and developments in the capital market today, it is necessary for directors of listed companies to keep up with the changes in the standards and to constantly enrich themselves. This course is a great opportunity to learn more about the updates and future trends of the Listing Rules, Securities Law and Code of Corporate Governance."

Mr Victor Liu Changsheng
Director, Raffles Capital Pte Ltd

"The programme helped us understand, through the study of business models and value innovation, the importance of innovation in business and management. It also helped to deepen our understanding of stakeholder relationships and the need to gain new knowledge, understand new problems, and learn from past work experiences."

Mr Sun Shu
Independent Director and Nomination Committee Chairman, Singapore Daxin Commercial Trust

Director Appointments

SID members appointed as directors of listed companies during the period 1 March to 31 May 2019.

COMPANY	PERSON	DESIGNATION
AEM Holdings Ltd	Lavi Alexander Lev	Independent Director
Amplefield Limited	Chong Teik Siang	Independent Director
AsiaPhos Limited	Goh Yeow Tin	Non-Executive Chairman
Avarga Limited	Chan Lay Hoon	Non-Executive Director
Beng Kuang Marine Limited	Low Wee Siong	Independent Director
Boustead Projects Limited	Tam Chee Chong	Independent Director
Boustead Projects Limited	Yong Kwet Yew	Independent Director
China Aviation Oil (Singapore) Corporation Ltd	Hee Theng Fong	Independent Director
China Environment Limited	Lee Chia Sin	Independent Director
Cordlife Group Limited	Tan Poh Lan	Executive Director
Darco Water Technologies Limited	Joanna Ong Joo Mien	Independent Director
DLF Holdings Limited	Philip Chan Kam Loon	Independent Director
Dynamic Colours Limited	Sebastian Chong Yee Siew	Independent Director
First Resources Limited	Wong Su-Yen	Independent Director
Genting Singapore Limited	Carolina Chan Swee Liang	Independent Director
Global Investments Limited	Kelvin Tan Wee Peng	Independent Director
GKE Corporation Limited	Loy Soo Chew (Li Shizhou)	Independent Director
GS Holdings Limited	Chan Chun Kit	Independent Director
GS Holdings Limited	Chong Eng Wee	Independent Director
GS Holdings Limited	Irwin Lim Kee Way	Independent Director
Heatec Jietong Holdings Ltd	Chong Eng Wee	Independent Director
Hong Fok Corporation Limited Singapore	Adrian Chan Pengee	Non-Executive Chairman
Hotel Properties Limited	Lawrence Wong Liang Ying	Independent Director
Hotel Royal Limited	Lee Chu Muk	Non-Executive Director
Hotel Royal Limited	Pang Eng Fong	Non-Executive Chairman
InnoPac Holdings Limited	Philip Leng Yew Chee	Executive Director
Jardine Cycle & Carriage Ltd	Steven Phan Swee Kim	Independent Director
Jumbo Group Limited	Rachel Sim Yu Juan	Alternate Director
Katrina Group Ltd	Joan Lau Sau Chee	Independent Director
KTMG Limited	Koh Boon Huat	Independent Director
Medinex Limited	Suresh Kumar	Independent Director
Pine Capital Group Limited	Tomi-Jae Tjio Wanlun	Non-Executive Chairman
Revez Corporation Ltd	Koh Choon Hui	Non-Executive Chairman
Revez Corporation Ltd	Lee Han Chong	Executive Director
Revez Corporation Ltd	Lim Choon Noi	Executive Director
Revez Corporation Ltd	Lim Kian Sing	Executive Director
Revez Corporation Ltd	Victor Neo Wee Han	Executive Director
Samurai 2K Aerosol Limited	Lim Chong Huat	Independent Director
Shanghai Turbo Enterprises Ltd	Huang Wooi Teik	Non-Executive Chairman
Shanghai Turbo Enterprises Ltd	Koh Wee Kiang	Independent Director
Shanghai Turbo Enterprises Ltd	Kelvin Lee Kiang Piaw	Independent Director
Shanghai Turbo Enterprises Ltd	Loh Kai Keong	Independent Director
Shanghai Turbo Enterprises Ltd	Wong Kee Hau	Non-Executive Director
Singapore Press Holdings Limited	Lim Ming Yan	Independent Director
Tat Seng Packaging Group Ltd	Kong Weili	Independent Director
Uni-Asia Group Limited	Juliana Lee Kim Lian	Independent Director
Versalink Holdings Limited	Chin Chee Choon	Non-Executive Chairman
Wilmar International Limited	Lim Siong Guan	Independent Director
Wong Fong Industries Limited	Pao Kiew Tee	Non-Executive Chairman
Y Ventures Group Ltd	Goh Cher Shua	Independent Director

Out of This World

ROBERT CHEW
Council member, SID

AFTER HOURS

Experiencing zero gravity was a once-in-a-lifetime adventure. It gave me a whole new perspective of the world.

Among my endeavours to keep up-to-date with science and technology in my retirement, I did a one-week programme on the latest emerging technology organised by Singularity University (SU) in Mountain View, California.

Through that, I was invited to the inaugural XPRIZE Adventure Trip in 2013. XPRIZE designs and launches big-time prizes in the domain areas of space, oceans, learning, health, energy, environment, transportation, safety and robotics.

I worked hard to persuade my family that this was a worthwhile trip to miss Chinese New Year for. I am glad they let me, and I went.

The highlight of the trip was an out-of-this-world experience on board a Zero Gravity Corporation's (Zero G) Boeing 727. This is a regular plane with modifications. The cabin of the plane is stripped bare except for a few rows of seats at the back. The cabin has thick, white padding all around to protect against head and other bumps when the participants float around in zero gravity. There is no up or down in zero gravity; at times, the ceiling becomes the floor.

Zero-gravity

This is what I felt.

The pilot hit the throttle. The plane started to climb. The climb was steep, it felt very steep. I felt the intense power of gravity. I had trouble lifting my head, with gravity pulling on my body harder than I ever felt before. My heart, my body, everything felt like it was being sucked to the floor, as if I were on an extreme amusement park ride.

I was experiencing 1.8 G, that is, a gravitational pull that is about 80 per cent stronger than the standard gravity that we experience on earth. Then I began to float. I experienced weightlessness. I pushed myself off in a "superman" manoeuvre, with arms and legs outstreached and aligned with the plane of my body. I tried drinking water poured out from a bottle, and it was literally like trying to catch mercury-like balls of water instead.

The experience was similar to what I imagine people who practise mindfulness feel when they reached that desired state. It was Zen-like, stress-less and stress-free. At the same time, it was fun and exhilarating.

The state of weightlessness lasted for about half a minute, but the concept of time is foreign when you are feeling blissful and levitating.

Reflections from space

Three common questions I receive about my zero-gravity experience are:

Q1. You went to space? Of course, not, I was on board a Boeing 727 aircraft. The weightlessness condition was achieved by doing aerobatic manoeuvres known as parabolas.

Q2. Did you throw up? Of course not. Well, I might have. I was told that one in 10 participants is likely to experience nausea and vomiting. We were given motion sickness pills; some took, I did not.

Q3. Were you training with astronauts? No. The others on the flight came from varied backgrounds. While astronauts undergo extensive training, all we had was a short 30-minute briefing which included a US Federal Aviation Administration-required safety video. While we are no astronauts, we are called fliers.

In any case, even if I may not be a real astronaut, playing the part for a day was the ultimate bucket list experience. ■

Listed Entity Director Programme 1-8 • 12-29 March & 8-31 May 2019

Directors Compliance Programme • 15 March & 26 April 2019

International Directors Programme • 1-4 April & 27-29 May 2019

SID-SMU Directorship Programme • 10-12 April, 8-10 May & 29-31 May 2019

Director Financial Reporting Fundamentals • 22 May 2019

SID's Q2 Events (Apr 2019 – Jun 2019)

DATE	TYPE	EVENT DETAILS
1-4 Apr 2019	PD	IDP 1: Board Fundamentals
4 Apr 2019	PD	CTP 2: Board Leadership for Cyber Resilience
5 Apr 2019	Event	NPO Forum: In Conversation with Commissioner of Charities – Board Culture, Ethics and Governance
9 Apr 2019	PD	CTP 8: Cyber Security Threats and Data Breaches – What Can Directors Learn from the Two Most Significant Healthcare Sector Breaches in Singapore?
10 Apr 2019	PD	BFS 1: Disruptive Technologies for Directors
10-12 Apr 2019	PD	SDP 1: The Role of Directors
16 Apr 2019	PD	CTP 3: Grappling with the Challenges of the Digital Economy in the Context of Data Protection and Cyber Security
25 Apr 2019	PD	ACP: Auditing and Disrupting Technologies Impact on Internal Audit
26 Apr 2019	PD	DCP: Directors Compliance Programme
30 Apr 2019	PD	BDC 1: Board Risk Committee Chairman's Conversation
3 May 2019	PD	BFS 3: Data Analytics and Artificial Intelligence for Directors
7 May 2019	Event	SDP-SMU Directorship Programme 2019 – Cocktail Preview
8 May 2019	PD	LED 1: Listed Entity Director Essentials
8-10 May 2019	PD	SDP 2: Assessing Strategic Performance
10 May 2019	PD	LED 2: Board Dynamics
14 May 2019	PD	LED 3: Board Performance
14 May 2019	PD	CTP 9: Breaking the Rules – An Insider's Perspective
15 May 2019	PD	SGD 1: Essentials of NonProfit Board Leadership
16 May 2019	PD	MCD 1: The Director as an Innovation Driver
16 May 2019	PD	ACP: Business Valuation Best Practices, Issues and Challenges
17 May 2019	PD	MCD 3: Strategy at the Board Level
21 May 2019	PD	LED 4: Stakeholder Engagement
22 May 2019	PD	DFF: Director Financial Reporting Fundamentals
22-24 May 2019	PD	LEDM: Listed Entity Director Programme (Mandarin) Core Modules
27-29 May 2019	PD	IDP 2: Board Dynamics, Efficiency and the Role of Committees
29 May 2019	PD	LED 5: Audit Committee Essentials
29 May 2019	PD	LED 6: Board Risk Committee Essentials
29-31 May 2019	PD	SDP 3: Finance for Directors
30 May 2019	PD	CTP 4: Blockchain for Directors
30 May 2019	PD	Webinar: Amazon's Approach to Innovation
31 May 2019	PD	LED 7: Nominating Committee Essentials
31 May 2019	PD	LED 8: Remuneration Committee Essentials
12 Jun 2019	PD	SGD 2: Board Dynamics
13 Jun 2019	PD	ACP: Financial Reporting – Fraud in China
16-19 Jun 2019	PD	IDP 1: Board Fundamentals
17-19 Jun 2019	PD	GRC: Governance, Risk Management and Compliance Professional Training Programme
19 Jun 2019	PD	SYN: So You Want to be a NonProfit Director
21 Jun 2019	Event	ASEAN Corporate Governance Scorecard
26 Jun 2019	PD	ACP: Keeping ACs Up to Date with the New Insolvency Regime
26 Jun 2019	PD	BDF: Board and Director Fundamentals
27 Jun 2019	PD	BDC 5: Board Chairman's Conversation
28 June 2019	Event	SID Annual Golf Tournament 2019

Upcoming Events

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
SDP 1: The Role of Directors	3-5 Jul 2019	0900 to 1730	SMU Campus
SGD 1: Essentials of NonProfit Board Leadership	9 Jul 2019	1700 to 2100	Social Service Institute
SYD: So, You Want to be a Director	10 Jul 2019	1030 to 1300	Capital Tower
SDP 2: Assessing Strategic Performance	10-12 Jul 2019	0900 to 1730	SMU Campus
SGD 3: Board and Management Dynamics	17 Jul 2019	0900 to 1300	Social Service Institute
LED 1: Listed Entity Director Essentials	22 Jul 2019	0900 to 1700	Marina Mandarin Singapore
LED 2: Board Dynamics	23 Jul 2019	0900 to 1300	Marina Mandarin Singapore
LED 3: Board Performance	23 Jul 2019	1330 to 1730	Marina Mandarin Singapore
LED 4: Stakeholder Engagement	24 Jul 2019	0900 to 1300	Marina Mandarin Singapore
LED 5: Audit Committee Essentials	24 Jul 2019	1330 to 1730	Marina Mandarin Singapore
LED 6: Board Risk Committee Essentials	25 Jul 2019	0900 to 1300	Marina Mandarin Singapore
LED 7: Nominating Committee Essentials	25 Jul 2019	1330 to 1730	Marina Mandarin Singapore
LED 8: Remuneration Committee Essentials	26 Jul 2019	0900 to 1300	Marina Mandarin Singapore
SGD 2: Board Dynamics	30 Jul 2019	1700 to 2100	Social Service Institute
CTP 6: Executive and Director Remuneration	31 Jul 2019	0900 to 1100	Capital Tower
SDP 3: Finance for Directors	31 Jul-2 Aug 2019	0900 to 1730	SMU Campus
CTP 10: Being a Board Director in the Age of Social Media	2 Aug 2019	1000 to 1200	CapitaGreen
LEDM 5: Audit Committee Essentials (Mandarin) – Elective	7 Aug 2019	0900 to 1300	Marina Mandarin Singapore
LEDM 6: Board Risk Committee Essentials (Mandarin) – Elective	7 Aug 2019	1330 to 1730	Marina Mandarin Singapore
LEDM 7: Nominating Committee Essentials (Mandarin) – Elective	8 Aug 2019	0900 to 1300	Marina Mandarin Singapore
LEDM 8: Remuneration Committee Essentials (Mandarin) – Elective	8 Aug 2019	1330 to 1730	Marina Mandarin Singapore
SGD 4: Talent and Volunteer Management	14 Aug 2019	0900 to 1300	Social Service Institute
SDF: Startup Director Fundamentals	16 Aug 2019	0900 to 1200	Capital Tower
SGD 3: Board and Management Dynamics	20 Aug 2019	1700 to 2100	Social Service Institute
CTP 7: Business Transformation through Design Thinking	22 Aug 2019	0900 to 1100	Capital Tower
GRC: Governance, Risk Management and Compliance Professional Training Programme	28-30 Aug 2019	0900 to 1730	Marina Mandarin Singapore
DFF: Director Financial Reporting Fundamentals	29 Aug 2019	0900 to 1730	Capital Tower
SGD 4: Talent and Volunteer Management	12 Sep 2019	1700 to 2100	Social Service Institute
SDP 4: Risk and Crisis Management	12-13 Sep 2019	0900 to 1730	SMU Campus
SGD 5: Strategy and Board Performance	16 Sep 2019	0900 to 1300	Social Service Institute
IDP 3: Developing Directors and their Boards	17-19 Sep 2019	0900 to 1730	INSEAD Campus
SYN: So, You Want to be a NonProfit Director	18 Sep 2019	1700 to 2100	Capital Tower
SGD 5: Strategy and Board Performance	24 Sep 2019	1700 to 2100	Social Service Institute
IDP 2: Board Dynamics, Efficiency and the Role of Committees	24-26 Sep 2019	0900 to 1730	INSEAD Campus
BDF: Board and Director Fundamentals	25 Sep 2019	0900 to 1730	M Hotel

Core Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
BFS 2: Cyber Security for Directors	26 Sep 2019	0900 to 1530	Ensign Infosecurity
SGD 6: Financial Management and Accountability	3 Oct 2019	0900 to 1300	Social Service Institute
LED 1: Listed Entity Director Essentials	9 Oct 2019	0900 to 1700	Marina Mandarin Singapore
LED 2: Board Dynamics	10 Oct 2019	0900 to 1300	Marina Mandarin Singapore
LED 3: Board Performance	10 Oct 2019	1330 to 1730	Marina Mandarin Singapore
LED 4: Stakeholder Engagement	11 Oct 2019	0900 to 1300	Marina Mandarin Singapore
LED 5: Audit Committee Essentials	16 Oct 2019	0900 to 1300	Marina Mandarin Singapore
LED 6: Board Risk Committee Essentials	16 Oct 2019	1330 to 1730	Marina Mandarin Singapore
LED 7: Nominating Committee Essentials	17 Oct 2019	0900 to 1300	Marina Mandarin Singapore
LED 8: Remuneration Committee Essentials	17 Oct 2019	1330 to 1730	Marina Mandarin Singapore
SGD 6: Financial Management and Accountability	22 Oct 2019	1700 to 2100	Social Service Institute
SGD 7: Fundraising, Outreach and Advocacy	31 Oct 2019	0900 to 1300	Social Service Institute
SDP 5: Strategic CSR and Business Valuation	31 Oct-1 Nov 2019	0900 to 1730	SMU Campus
SGD 7: Fundraising, Outreach and Advocacy	26 Nov 2019	1700 to 2100	Social Service Institute
DFF: Director Financial Reporting Fundamentals	27 Nov 2019	0900 to 1730	Capital Tower
SGD 8: Social Trends	28 Nov 2019	0900 to 1300	Social Service Institute
SDP 6: Effective Succession Planning and Compensation Decisions	28-29 Nov 2019	0900 to1730	SMU Campus
IDP 3: Developing Directors and their Boards	10-12 Dec 2019	0900 to1730	INSEAD Campus
SGD 8: Social Trends	17 Dec 2019	1700 to 2100	Social Service Institute

Other Professional Development Programmes

PROGRAMME	DATE	TIME	VENUE
BDC 4: Nominating Committee Chairman's Conversation	4 Jul 2019	1200 to 1400	Shangri-La Hotel
AC Members Networking Evening	18 Jul 2019	1800 to 2000	One Farrer Hotel
Fireside Chat with Emeritus Senior Minister Goh Chok Tong	19 Jul 2019	1600 to 1900	One Raffles Link
Fellows Evening	15 Aug 2019	1830 to 2230	Big Top (next to Marina Bay Sands)
ACP: Managing Tax Disputes and Controversy	17 Sep 2019	0900 to 1100	One Raffles Quay

Major Events

EVENT	DATE	TIME	VENUE
Singapore Corporate Awards	23 Jul 2019	1800 to 2200	Resorts World Singapore
Singapore Governance and Transparency Index Forum	7 Aug 2019	0900 to 1100	SGX Auditorium
SID Directors Conference	11 Sep 2019	0900 to 1630	Suntec City Convention and Exhibition Centre
Singapore Board of Directors Survey Launch	7 Nov 2019	0900 to 1100	Marina Mandarin Singapore
Singapore Corporate Governance and Directorship (Chinese) Seminar	13 Nov 2019	0900 to 1100	Marina Mandarin Singapore
Corporate Governance Roundup	19 Nov 2019	0900 to 1300	Orchard Rendezvous Hotel

Course dates and venues are subject to change. Please refer to www.sid.org.sg for the latest updates.

Welcome to the Family

March 2019

Fredy Jehangir Aga
Benson Ang Chih Kuang
Henrik Bresman
Chan Hiang Tiak
Paul Chow
Sebastian Chua Meng Hui
Chue En Yaw
Jean De Souza
Penny Gail
Wynthia Goh
Har Jia Yi
Sujata Hodarkar
Rahul Joshi
Perry Kennedy
Deepak Kingsley
Michael Kum Soh Har
Law Ren Hui
Liew Li Lian
Jasmine Lim Poh Lian
Rachel Lim Pang Yen
Manjot Mann Singh
Christophe Michaud
Sean Ng Yung Chuan
Pang Cheong Yan
Png Kim Chiang
Michael Power
Renier Putter
Peggy Quek
Susan See Tho Soat Ching
Sugumaran Subramanyam
Themin Suwardy
Tam Chee Chong
Andrew Tan
Bernard Tan
Danny Tan Song Boon
Ronnie Tay
Wilson Tay Ching Yit
Alexis Teo
Edward Wong Wing Hong
Evelyn Wong Soo Pin
Wong Lup Wai
Wong Mee Oi
Zhang Yanmin

April 2019

Willem Reon Barnard
Almabelle Angeles Bolisay
Preetam Bose
Ioannis Bouras
Ivan Chee Yew Fei
Willa Chee Keng Fong
Anita Chew Cheng Im
Chew Wai Chuen
Martin Chong Teik Siang
Brijesh Chopra
Fionne Chua Huan Kun@Wuan Chin
Chua Sok Hwee
John Ainsley Couch
Steven D. Dean
Nico Derksen
Trina Digby
Alicia Foo Chow Kheng
Goh Kah Im
Goh Shiou Ling
Vivek Goyal
David Hoon Chee Wai
Samintharaj Kumar
Davy Lau Chun-Wah
Law Yam Huat
Lee Bic Shan
Lee Chee Pin
Lee Chia Sin
David Lee Yong Soon
Ian Eon Lee
Kelvin Lee Kiang Piaw
Leona Lee Ping
Lee Swee Heng
Gillian Y. Li
Arthur Douglas Lim Tien Tser
Nicola Loh
Loong Ching Hong
Low Eng Kiat
Ewan McEwan
Saroj Mishra
Jean-Pierre Mohn
Ng Mun Fey
Ong Geok Chwee
Punit Oza
Jasmine Rodrigo
David Siah Yang Meng
Tamara Singh
Rama Sridhar
Subramaniam Poopalasingam
Tan Poh Lan
Aaron Tay Thiam Yong
Teh Lip Kim
Tong Foo Cheong
Carol Wong Keat Yee
Wong Kee Hau
Lynn Wong Pei Ling
Wong Sook Mei
Dennis Yong
Brigitte Marie Paule Zeller

May 2019

Lars Tore Bergstrom
Chan Chun Kit
Lawrence Chen Tse Chau
Cheong Poh Hua
Lawrence Chia Wan Leong
Jason Chian Siet Heng
Chin Shi Long
Chin Wee Cheak
Ching Choi Fun
Christopher Chong Chi Chuin
Bryan Chung Yew Pong
Daniel Ding Yen Shee
Viktoria Dorosevits
Foo Siang Sheng
Simon Robert Garing
Goh Cher Shua
Goh Sok Kim
Gouw Eng Seng
Adrian Hausser
Heng Teck-Yong
Grace Ho
Ramzi Jouaneh
Ju Xiao Yong
Kho Cheow Wah
Khor Yok Kean
Koh Wee Kiang
Suresh Kumar
Joan Lau Sau Chee
Irene Lee
Moses Lee
Nicola Lee
Lim She Ling
Herry Limanto
Lenny Limanto
Salim Limanto
Alvin Lin Tai Meng
Liu Jiannan
Loo Hwee Fang
Jonnada Venkat Mallikarjuna Madhu
Khairul Alam Mohd Zaini
Yoshio Motohashi
Jonathan Sydney O'Connell
Karen Ong Chee Cheng
Stephen Poh
Minny Riady
Sau Ean Nee
See Chuang Thuan
Soh Pock Kheng
Averlina Tan Lam Hiang
Tan Ing Soon
Irianto Tan
Tan Ru Torng
David Teng Nam Ming
Phuoc Tran
Sheshashayee Venkatraman
Adam Wang Meng
Wang Qiang
Yak Chauwei
Alice Yan
David Yeong Kai Xiong
Andrew Yew Weng Leong
Vivi Yu
Zhang Fan
Zhong Ming
Zhong Sheng Jian

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Tham Sai Choy

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Wong Su-Yen

SECOND VICE-CHAIRMAN
Adrian Chan

TREASURER
Ramlee Buang

COUNCIL MEMBERS
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Wilson Chew
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Philip Forrest
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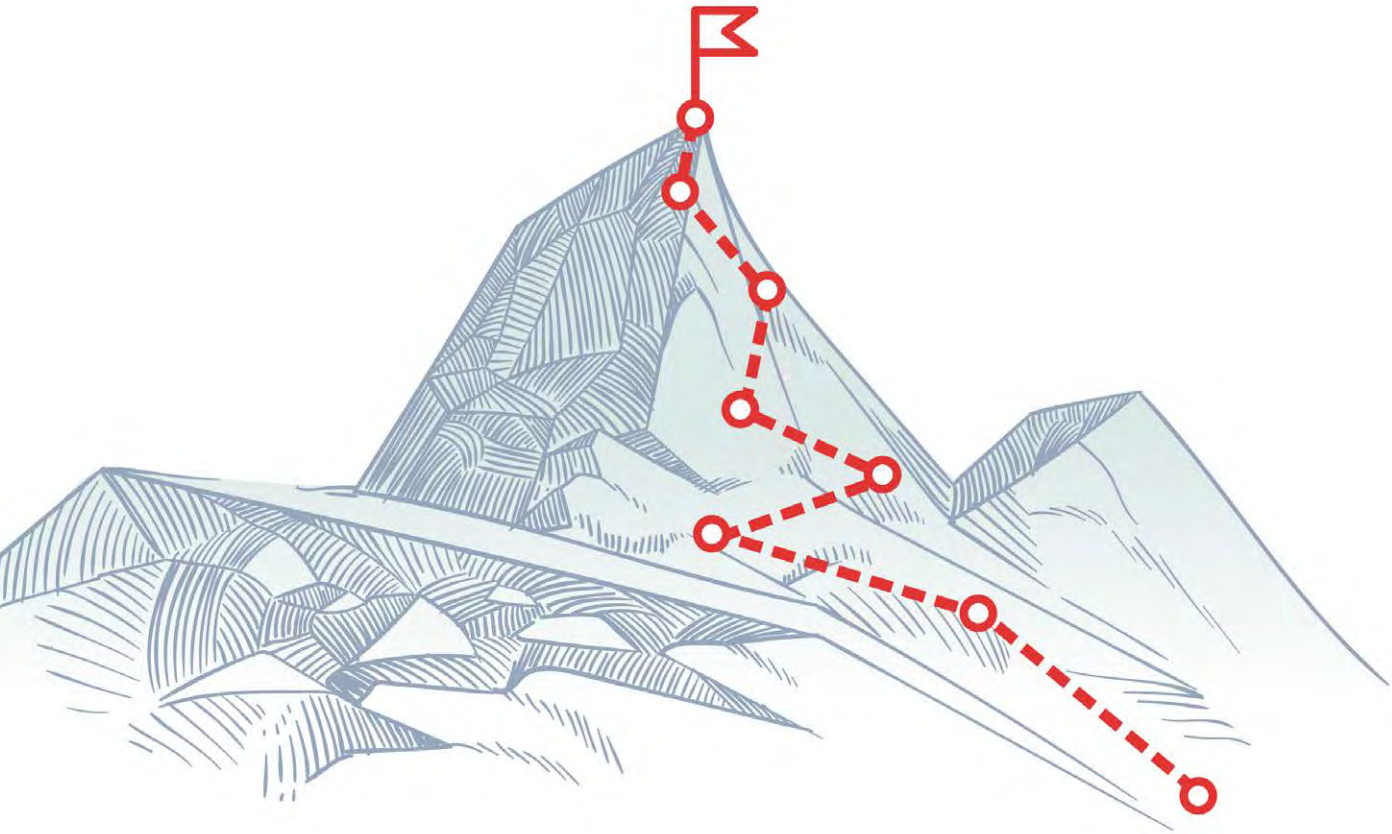
Theresa Goh
Derek Lau
Howie Lau
Lee Chong Kwee
Lee Suan Hiang
Ng Wai King
Poh Mui Hoon
Soh Gim Teik
Tan Boon Gin

SQL VIEW



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