

Meeting Governance Challenges in a Disruptive World: Board Perspective



Presenter/Panelist

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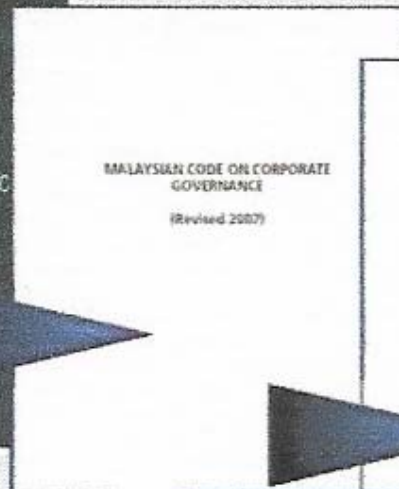
*President & CEO, Malaysian Alliance of Corporate Directors
IIRC Ambassador, International Integrated Reporting Council, UK
Vice President II, Federation of Public Listed Companies
Executive Member, Global Network of Director Institutes*

Evolution of CG in Malaysia

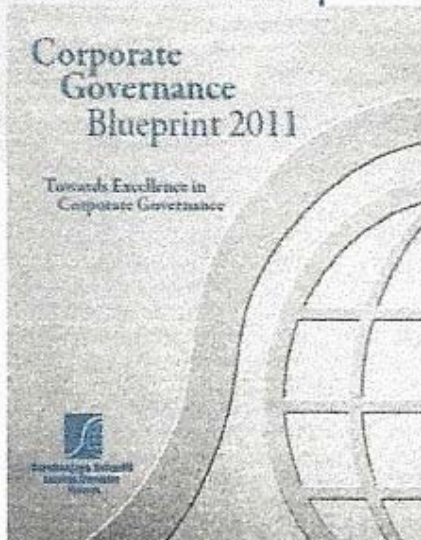
2000



2007



2012



Common areas covered

- Board (including Committees)
- Financial Reporting
- Risk Management & Internal Control
- Shareholders

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CG Watch market scores: 2010 to 2016

(%)	2010	2012	2014	2016	Change 2014 vs 2016 (ppt)	Direction of CG reform
Australia	-	-	-	78	-	
1. Singapore	67	69	64	67	(+3)	Mostly sunny, but storms ahead?
2. Hong Kong	65	66	65	65	-	Action, reaction: the cycle of Hong Kong life
3. Japan	57	55	60	63	(+3)	Cultural change occurring, but rules still weak
4. Taiwan	55	53	56	60	(+4)	The form is in, now need the substance
5. Thailand	55	58	58	58	-	Could be on the verge of something great, if...
6. Malaysia	52	55	58	56	(-2)	Regulation improving, public governance failing
7. India	49	51	54	55	(+1)	Forward movement impeded by vested interests
8. Korea	45	49	49	52	(+3)	Forward movement impeded by vested interests
9. China	49	45	45	43	(-2)	Falling further behind, but enforcement better
10. Philippines	37	41	40	38	(-2)	New policy initiatives, but regulatory strategy weak
11. Indonesia	40	37	39	36	(-3)	Losing momentum after progress in past survey

Source: Asian Corporate Governance Association

Political Governance Challenges in a Disruptive World



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FELDA GLOBAL VENTURES HOLDINGS BERHAD [S] (5222)



[Company Website](#)
[Initial Public Offering Document](#)
[Annual Report](#)



Digital Governance Challenges in a Disruptive World



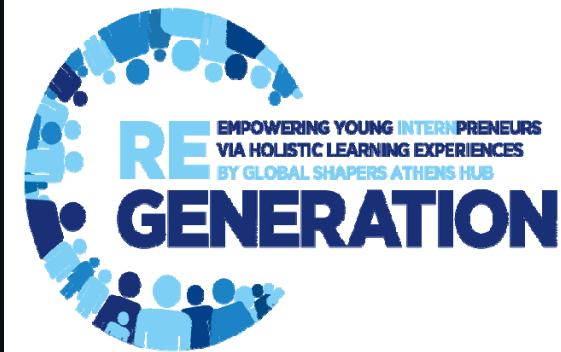
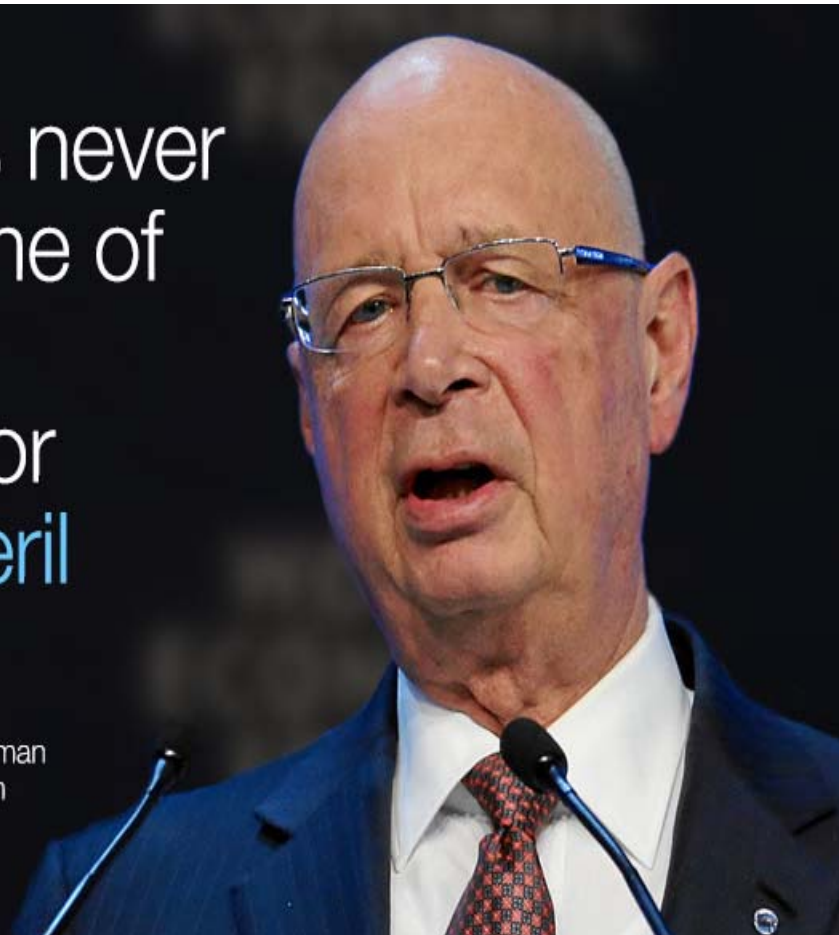
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WEF: The Fourth Industrial Revolution

January 2016

There has never
been a time of
greater
promise, or
greater peril

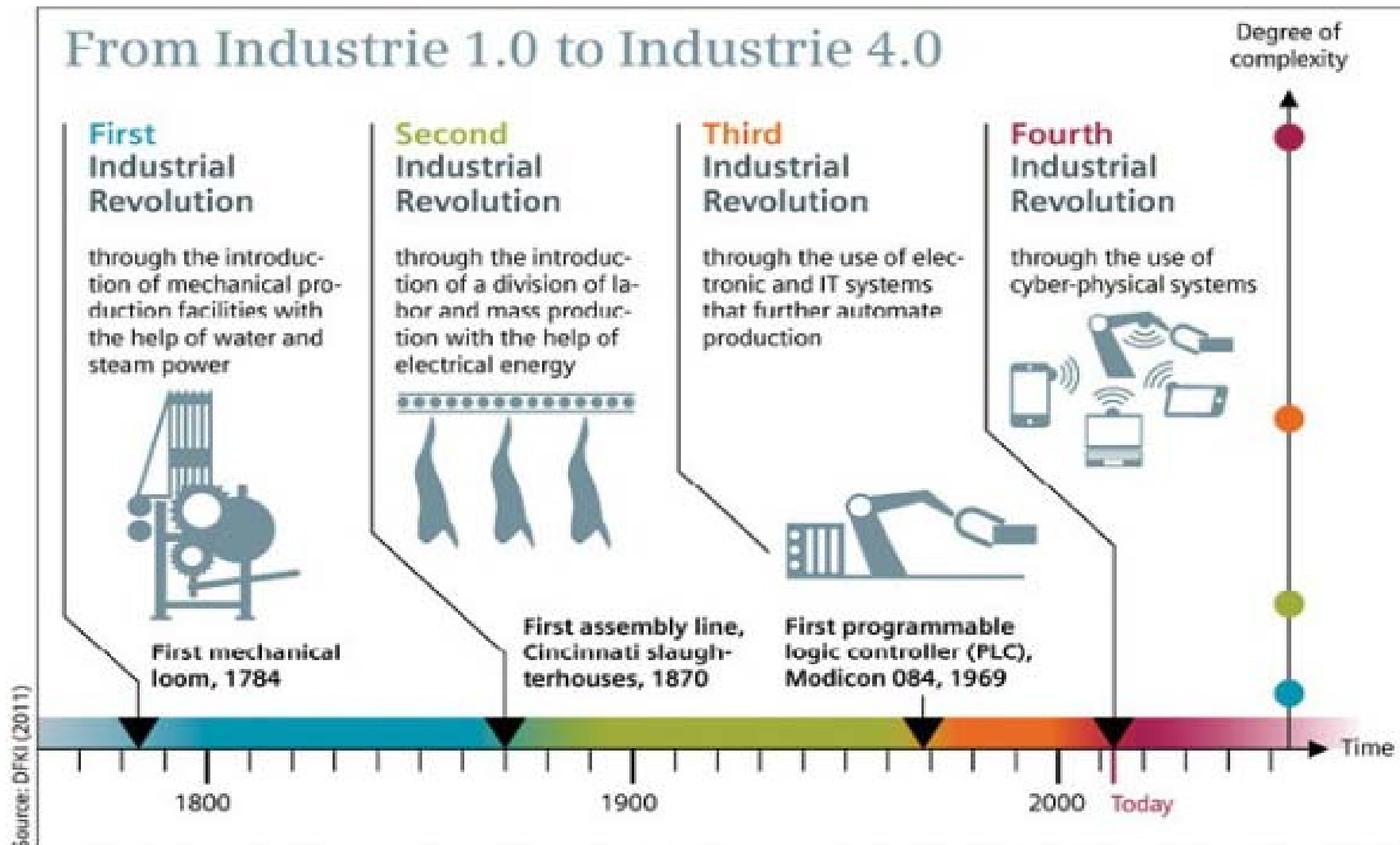
Professor Klaus Schwab
Founder and Executive Chairman
of the World Economic Forum



WORLD
ECONOMIC
FORUM

COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

Transformation from Industry 1.0 to Industry 4.0



Digital Disruption

Digital is the main reason just over half of the **companies** on the Fortune 500 have **disappeared** since the year 2000

Pierre Nanterme
CEO of Accenture



Why businesses need to always adapt and change

- Only 70 of the Fortune 500 that appeared in 1955 still exist
- Nearly 2000 companies have come and gone since then
- Corporate life expectancy was 75 years and now its less then 15 and declining

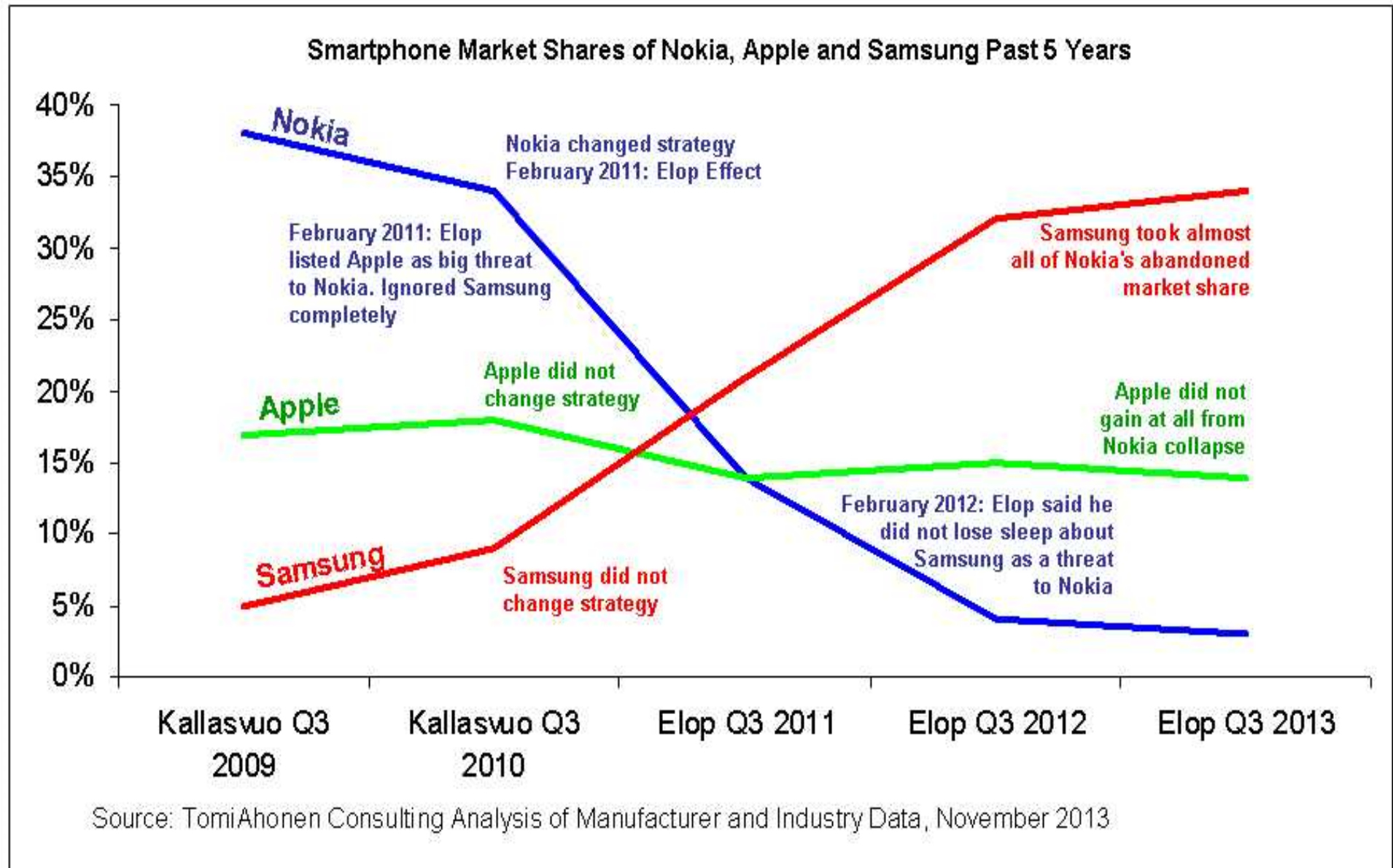
• Former Organizations (Extinction Event)

- Kodak
- Borders Books
- *Circuit City*
- *Eastern Airlines*
- *Blockbuster*
- *Montgomery Wards*
- *Enron*
- *Woolworths*
- *Pan Am*
- *Arthur Andersen*

• New Organizations (Code Halos*)

- Pandora
- Amazon
- Netflix
- Microsoft
- Apple
- Google
- Bing
- Facebook
- Starbucks
- BestBuy
- Zappos

Smartphone Market Shares



A photograph of Stephen Elop, former CEO of Nokia, speaking at a podium. He is wearing a dark suit, a light blue shirt, and a patterned tie. He is holding a small yellow object in his right hand and gesturing with his left hand. The background is a blue wall with the word "NOKIA" in large, light blue letters.

“We Didn’t Do Anything Wrong, But Somehow, We Lost”

Last Speech by Nokia’s CEO, Stephen Elop

- Yesterday’s advantage will be replaced by trends of tomorrow. You don’t have to do anything wrong, as long as your competitors catch the wave and do it RIGHT, you can lose out and fail.
- To change and improve yourself is giving yourself a second chance. To be forced by others to change, is like being discarded.
- Those who refuse to learn and improve, will definitely one day become redundant and irrelevant to the industry. They will learn the lesson in a hard and expensive way

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Chart of the Week

THE LARGEST COMPANIES BY MARKET CAP

The oil barons have been replaced by the whiz kids of Silicon Valley



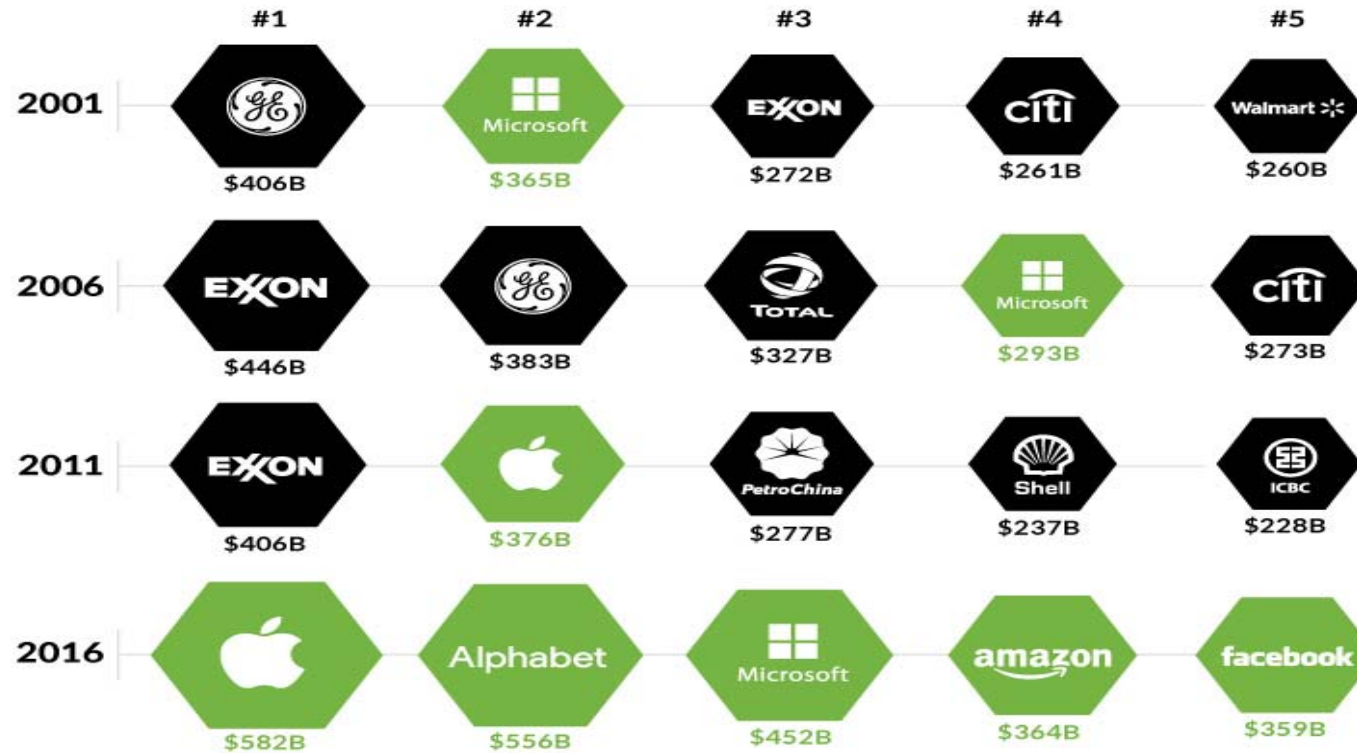
Top 5 Publicly Traded Companies (by Market Cap)



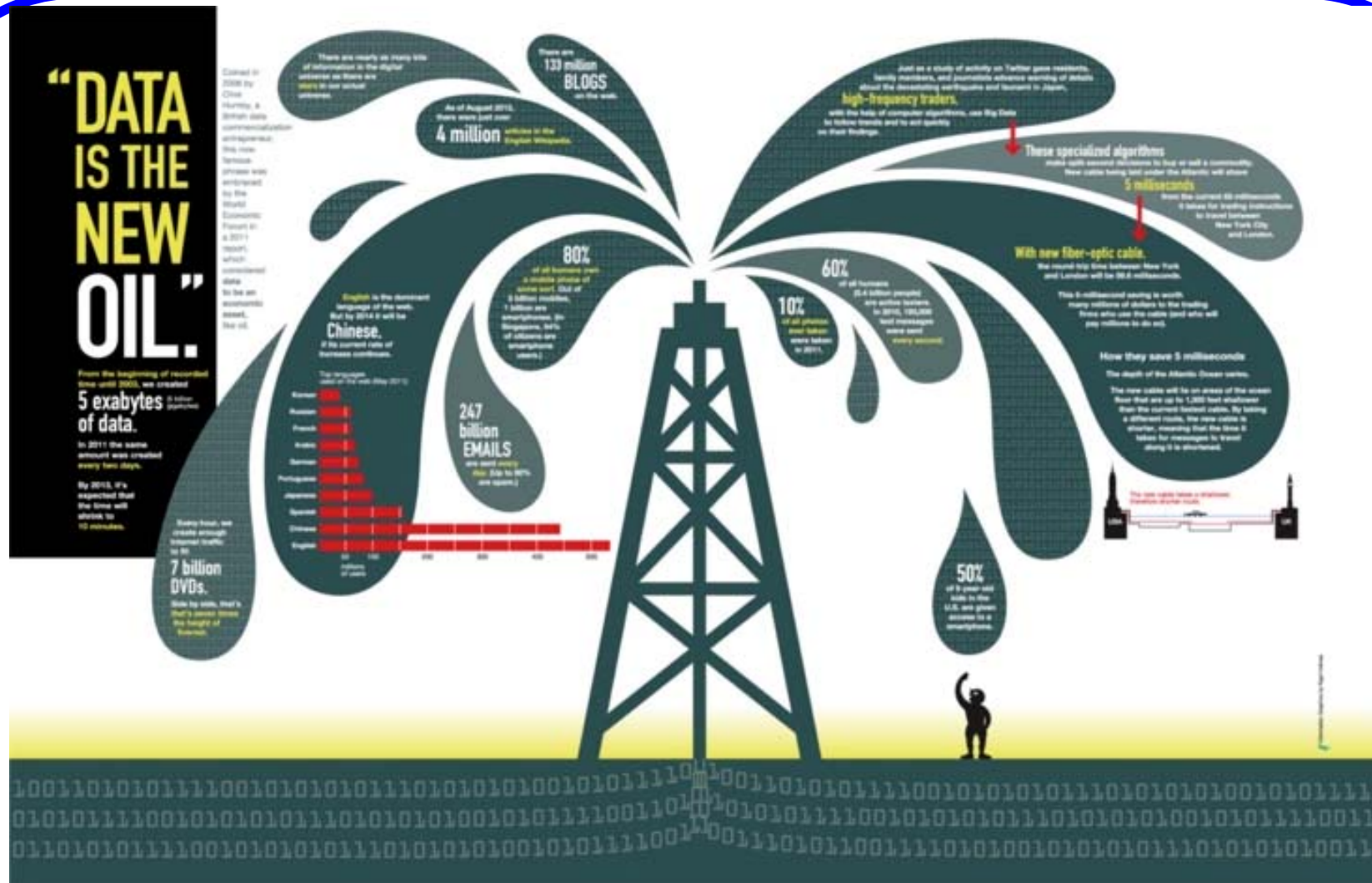
Tech



Other



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Strategic Governance Challenges in a Disruptive World



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What is Driving the Focus on Board Composition?

Global Survey:

n = >2,300

Challenges or concerns that are most influencing how boards are thinking about current and future composition – skills sets, backgrounds, experiences, and perspectives:

75% Alignment of board talent with the company's 3-5 year strategy

61% Need for greater diversity of viewpoints / backgrounds

54% Business model disruption and other competitive threats

34% Pace of technology change

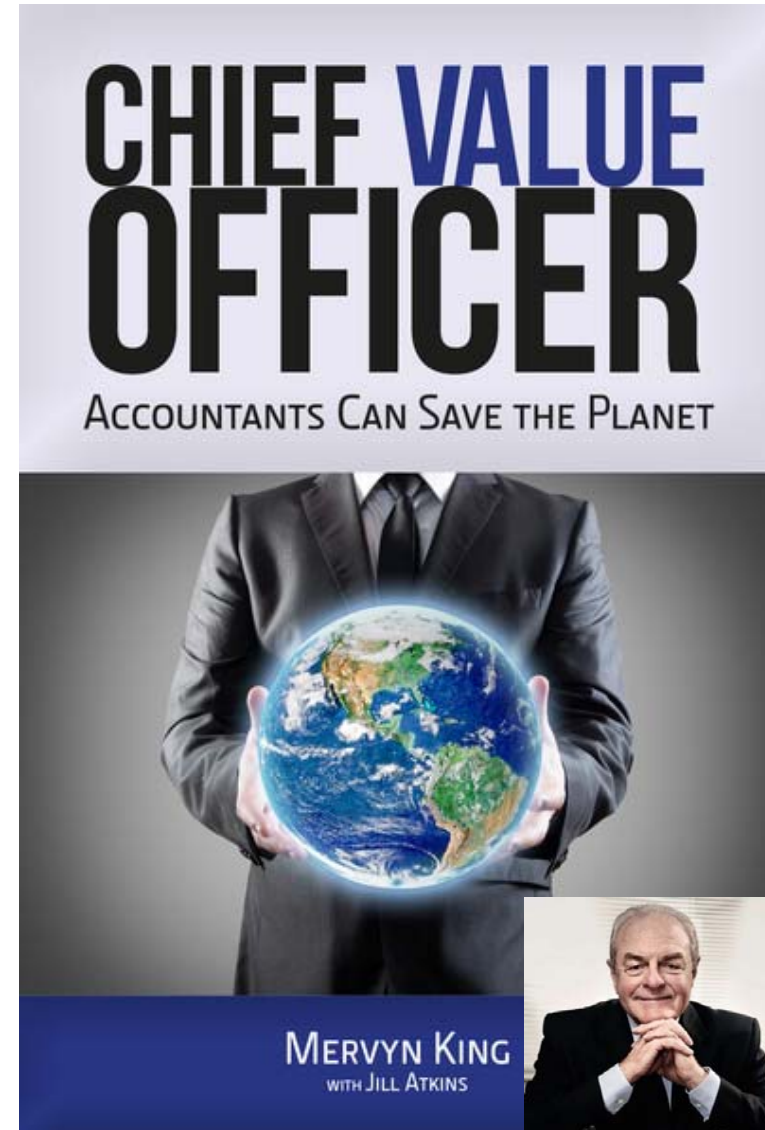
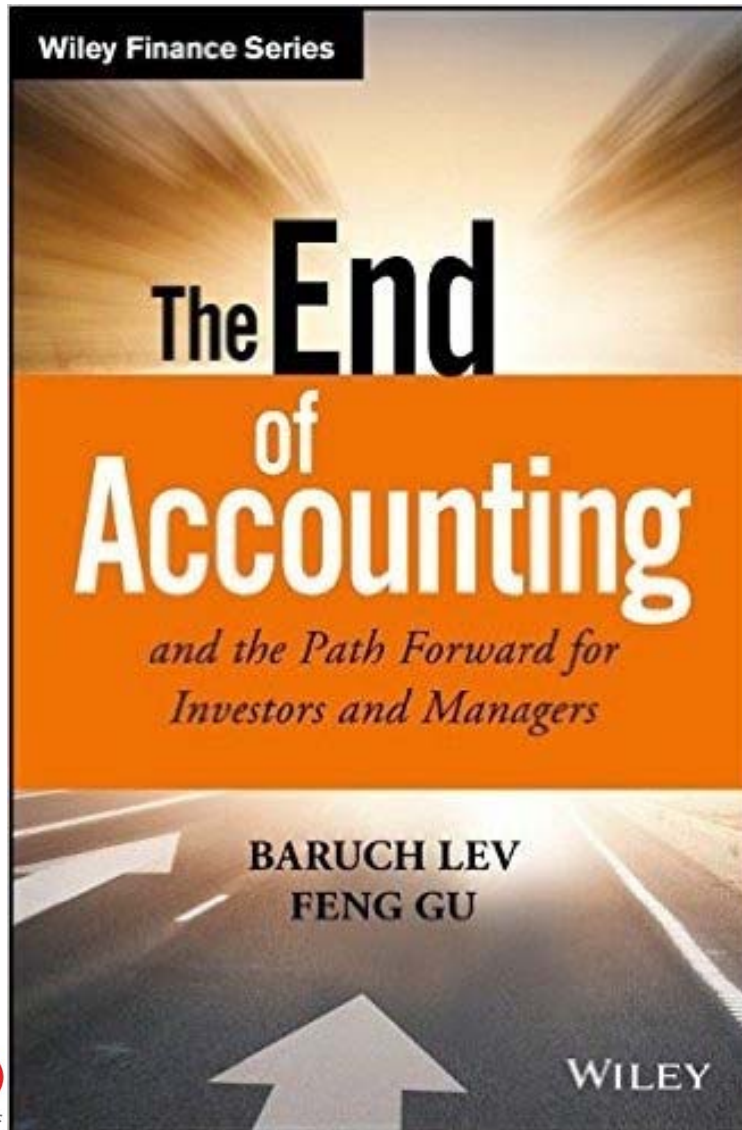
30% Need for international perspective / experience

21% Investors focus/ concerns about board composition

17% Cyber risk

8% Other

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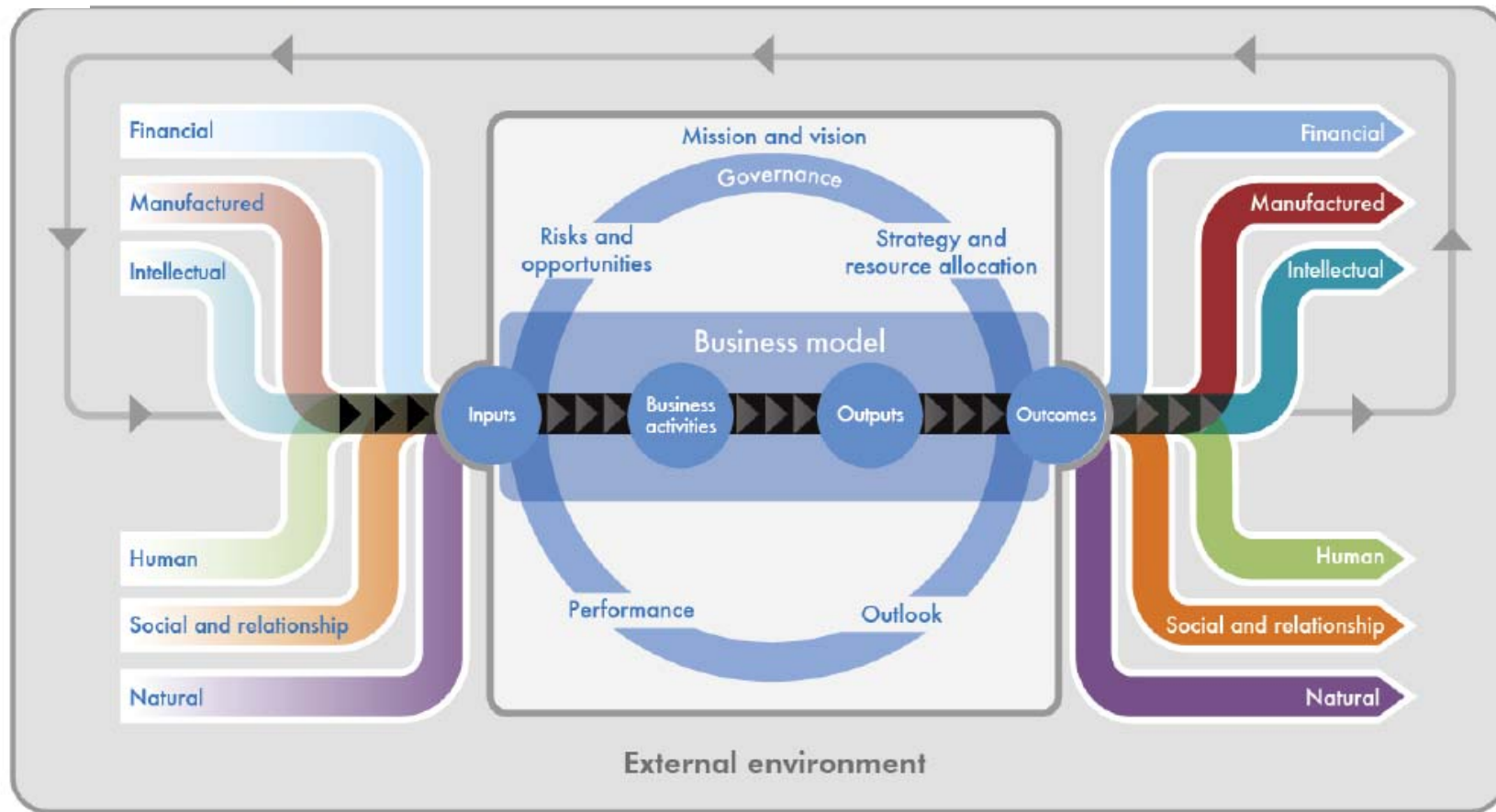


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Integrated Value Creation



The value creation process:



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In Conclusion...



Meeting Governance Challenges in a Disruptive World: Board Perspective

- Political Governance
- Digital Governance
- Strategic Governance

- Integrated Value Creation Thinking
- Strategic Thinking
- Critical Thinking