

“This marks a tremendous opportunity for CEOs to consider Sam’s thesis of a Smart Planet and evaluate our roles as leaders in making our enterprises and even the world work better.”
Business Leadership Forum Participant

More than 200 of the world’s most influential business, economic and political leaders attended the 2008 IBM Business Leadership Forum (BLF) on November 12 and 13th in the historic city of Istanbul, Turkey. This year’s session took place during a momentous point in time for leaders – a period of global economic flux and financial market restructuring, a period of change and most clearly a period of opportunity.

A Time of Opportunity – Building a Smart Planet

Discussions focused on the theme of building a Smart Planet and the opportunities for business, government and economic leaders to think differently. Leaders attending the BLF agreed that globalization and global integration created a foundation for a new way of operating that capitalizes on the immense knowledge and interconnectedness that organizations have accumulated.

One participant noted, *“It used to be enough to think of your own end-to-end business. If you took responsibility for that you were fine... Today the system is bigger and global. If we take ownership of this and think about it in a ‘smart way’ the opportunities are huge... if we ignore it, the risks are enormous.”*

Several themes emerged over the course of the two day session as leaders reflected upon Smart Planet, the realities of the economic environment and their roles in making the changes needed to lead their organizations toward a new way of conducting business.

A Mandate for Smarter Collaboration and Partnerships

Participants agreed that the current environment of change called for new forms of collaboration and partnership. Of particular interest were the opportunities for partnership between businesses and governments and collaboration with customers. One participant stated, *“governments need businesses and businesses need governments but we have not yet created the innovative partnerships needed to move change.”*

Joroen van der Veer, CEO of Royal Dutch Shell took this mandate for smarter partnerships one step further. *“This interconnected world – this smart world – can only work with blueprints that are designed to bring government and industry together... To set the rules – the energy mix... the right taxation models so people feel the cost and embrace conservation... those partnerships will create the change necessary.”*

Partnering with customers and the opportunity for co-creation and innovation was also on the minds of BLF participants as they agreed that establishing new business models required active engagement of their customers. Harold Goddijn, CEO of TomTom shared his experience of co-creating a smarter navigation system whereby TomTom enabled customers to *“record where they were driving, how fast they were driving... the location of traffic problems. The customer data enabled the creation of a more intelligent real-time navigation experience and it has provided us with enormous amounts of data that make our products better.”*

Intelligent Approaches for New Growth

While the need for change and partnership resonated with many there was an additional call to capitalize upon this mandate to drive new growth. This proposition left one participant wondering, *“How can we realistically achieve new growth in a downturn economy?”*

Panelist Mario Monti, president of Bocconi University responded by saying, *“Businesses cannot compromise their strengths. You need to search for companies that will drive progress and future growth. Going quiet is exactly the wrong response when you are in a fire... that is exactly when you need to find your support systems and look for new paths.”*

Global Citizenship and Smart Sourcing Models

BLF participants were challenged to frame the growth opportunity a little differently by one leader who asked, *“If we each consider acting as more than participants in globalization – what would it mean to be active collaborators, even global citizens?”* The global citizenship mindset was considered by some as a framework for thinking differently about the movement of capital, talent and resources.

“Given the demographic trends in countries like Japan – where the workforce is aged – and that of Turkey – where 30 percent are under the age of 15 – we have the opportunity to think differently about our global citizens,” noted one participant. Alpaslan Korkmaz, president of Turkish Investment Support and Promotion Agency reflected that for Turkey the *“opportunity to create a new education system that supports the idea of global citizenship would create tremendous opportunity.”*

The tension of a global economy and workforce versus the operational realities of local government was also discussed as BLF leaders questioned how governments would support the movement of capital and resources in an equal way. Dr. Fareed Zakaria, Editor of Newsweek International summarized the tension best when he said, *“We are in a state where capital and highly skilled labor go to where it is taxed less – we cannot continue to play this game. There has to be a smarter way. The question is how can we create an intelligent policy solution? One that will avoid the easily exploitable game that capital and labor play.”*

Enabling a Smarter Planet – Intelligent Infrastructure

Sam Palmisano’s presentation and challenge of how to build a smarter planet led participants to ask how they could be a part of this opportunity. While most agreed that a Smart Planet was the future they also agreed that there was a need to reassess the underlying infrastructures required to support this idea.

Rich Williams, CIO at AstraZeneca pointed to a current example of this challenge in the healthcare industry, *“We can’t make healthcare work until we have a stronger infrastructure, meaning an agreed upon set of standards... Fundamentally this is about leadership not technology... it requires someone to clearly define what it is that we are trying to accomplish and for all of us to give up on some things for the greater good. Again, this is where we need public/private partnerships to get this right.”*

The need for an end-to-end global systems approach also requires an alignment of interests and, as one BLF participant noted, a clear commitment to looking beyond the short-term opportunities.

Jacques Agrain, CEO of Swiss Re explained the challenge of getting the insurance industry actively involved in the long-term problem of climate change. *“We cannot get to the necessary changes, whether they are infrastructure or behavioral in nature, unless there is alignment of interests. We are paying for the consequences of climate change. For sustainability to succeed*

we have to set out a very selfish, grounded and shared economic issue. From that point of alignment we will build a solution.”

A Call for Passionate Leadership

The changing global economic environment brings opportunity for new business models, new cities, and new forms of leadership. Establishing innovative ways of working and thinking requires leaders to assess how work might get done differently. Dr. Sultan Ahmed Al Jaber, CEO of Masdar explained that in some cases this requires a connection to something bigger. *“For me this is about leaving a smarter planet for our children... we cannot continue to operate this way. In building Masdar we noticed that leaders do not want to commit to vision... Changing how we have lived for hundreds of years requires a long term commitment – to get to the ambitious goal of zero carbon, zero waste and renewable energy.”*

Sam Palmisano agreed that to achieve any part of the Smart Planet aspiration requires passionate, committed leadership. *“It is the time to be passionate, factually passionate, analytically passionate... about the opportunities that lay ahead. Let’s get it right and do what’s necessary to address these end-to-end systemic issues. If we do that, yes we will have a smarter planet.”*