

President's message

First, in this festive season, may I wish all of you a Happy and Prosperous New Year. In 2023, once again, the only thing that remained constant was change. Not only were we faced with a very unstable economy with high interest rates and staggering inflation, we were also uncertain when the wars in the Middle East and Ukraine would end. In this issue of Leading The Way, I would like to share with you something to consider and hopefully will enlighten your journey in this new year.

If 2023 had massive changes to the world economy, Adam Bennett, in *The Key to Leading through unprecedented Technological Change*, highlighted that technological change in 2024 will be even more unprecedented. He pointed out that leaders would need to communicate with a sharp vision and have a working knowledge of applying technologies.

In *The Dark Side of Power*,

Brian Tang reminded us that the higher the position we hold, the less empathy we have as power corrupts people. He stressed the importance of reducing the power distance with others and empowering our employees with accountability.

Raja Segaran in *Transformative Wave: Generative Artificial Intelligence Igniting Malaysia's Digital Economy*, shared with us how Artificial Intelligence (AI) has improved businesses in their operations and innovation. He further highlighted the importance of companies to reskill the workforce and addressed the challenges in applying AI in businesses and our personal lives.

Junie S del Mundo had masterfully summarized the *Lessons from the Frontiers: Takeaways from the 21st MAP International CEO Conference 2023*.

Ernesto "Ato" Tanmantiong had so generously shared with us *The Jollibee Story: Lessons on Leadership*. He pointed out that the success of Jollibee over the years boiled down to the hard work and dedication of the people in Jollibee.

The globalization of Jollibee is a powerful story of vision and can-do spirit of the leadership team. The Jollibee story should be studied by companies that need to expand and grow internationally.

I know we all will use the tools and knowledge we can gather to better our business and personal lives. Wishing you all the best in 2024.



SK Cheong

President

Asian Association of Management Organisations

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Institute of Managers and Leaders ANZ

The key to Leading through Unprecedented Technological Change

Adam Bennett

As a former consultant, big bank CIO, and having led digital transformation as a CEO, it's clear that the pace of organisational change is accelerating. We simply haven't yet reached 'peak change'.

This is echoed by legendary investor and founder of Bridgewater Ray Dalio in his book *The Changing World Order*: *"The ability of both computers and humans will improve at an increasing pace. These changes will occur in varying degrees in the next five to 20 years but will add up to the greatest shift in wealth and power that the world has ever seen."*

The coming years will unlock even greater change as we push further into machine learning, artificial intelligence and even deeper analytics. And as 5G telecommunications takes greater hold, virtual reality becomes mainstream and all kinds of knowledge

workers—from doctors through to lawyers — have their jobs augmented by AI, the disruption to our organisations will be big. Very big.

The emergence of these new technologies and the need to operate the entire tech-stack safely in the face of sophisticated cyber threats, and to deliver competitive advantage through technology is going to grow in importance. It's very real, and it's very exciting.

Every leader is therefore going to require a working knowledge of technology. They won't need to be experts, but they'll need to be informed and engaged. Above all, they'll have to know how to lead transformation.

Before proceeding, let me first highlight the need to be clear on the difference between the 'means' versus the 'ends' when it

comes to technology. It's very easy to consider the implementation of technology as the goal. This is simply not true. Ever. Technology is always an enabler, and the 'means' to delivering a business outcome or customer advantage which is 'the ends'.

When your technology project shifts from "let's deliver an amazing customer and/or shareholder benefit" to "let's just get the bloody system in" you'll know that you're moving towards implementing technology as the 'ends' instead of the 'means'.

To avoid this pain and to keep technology squarely as the enabler it should be, here are five steps to help you lead transformation.

#1 – Do the Work – Personal commitment of the leader.

There's no substitute for your personal involvement. No one expects you to be the deep technology expert, but they do expect – and deserve – for you to be leading from the front. So, get familiar with the broad technology forces and personally lead the transformation. Leadership of change and driving transformation is not something you can outsource to someone else.

#2 – Make Decisions – Choose, own and communicate a clear strategy.

You have to make a decision, which means committing to a choice. Be clear on how you want to compete and differentiate yourself from your competitors and then thoroughly canvas a broad suite of technologies that might help you achieve this. Carefully choose those that best deliver your strategy. Ensure you can communicate what you're trying to achieve – the 'ends' and the 'means' – in a sentence or two, and make it sufficiently compelling to build engagement and excitement.

#3 – Build the Team – Get the right people.

It's unlikely you'll have all the technology skills you need already in house. If you do, then you're probably not operating at the frontier of what's technically possible. When assessing technology partners and systems integrators look for temperament (curious & collaborative) and skills (experienced in change). Complement these

external professionals with members of your own internal team who believe in the organisation and want to make a material contribution to its future success.

#4 – Be Thorough – Follow a proven methodology and approach.

Technology is always the enabler, so get ready to pull the additional 'levers' you need to be successful. These levers include leveraging the business processes, organisation structures, people and culture and facilities to actually implement real change. You need to fundamentally transform the way work happens and resist the temptation to simply automate what happens now.

#5 – Keep Score – Use KPIs to align and provide regular feedback.

You must be able to measure and track what you're trying to achieve. In these times of significant technology change, never has the adage "if you don't know where you're going then any road will take you" been more prescient. Focus on the outcomes that you want to achieve (business requirements) the way the technology stack should operate (non-functional requirements) and most importantly measuring the benefits you'll deliver. Use these KPIs to set clear expectations, and to hold yourself and others to account.

The degree of technology change we face is unprecedented and

growing. Therefore, be clear on the business outcomes you want to achieve, and use these new technologies to enable them. Personally do the work, make choices, get the right team around you and be thorough in pulling the different levers required to implement change. And ensure you keep score with KPIs so that you'll know you've achieved the 'ends' rather than calling a false victory based on only delivering the 'means'.



Adam Bennett

CIO of Great
Change Consulting

Adam Bennett is the Principal of Great Change Consulting, and a former CEO, big-4 bank CIO and management consultant. He's the author of Great Change – the WAY to get big strategy done published by Wiley.



Macau Management Association

The Dark side of Power

Brian Tang

Do the following scenarios seem familiar?

A young staff who started as a junior position was hardworking, well trusted and respected by colleagues, but he became bureaucratic and ruthless once he was promoted to be a manager, and even worst when later became a senior executive.

Parents who pushed their kids to eat more veggies on the dining table forgot how much they themselves resent eating the very same thing a couple of decades ago.

A politician who started as a strong advocate for the disadvantaged groups became fence-sitter once he had earned a seat in the congress.

Unfortunately, the above examples are more like the norms than exceptions. Why? It's because power and our ability to empathize usually go in exactly the opposite direction. The higher power we have,

the less empathy we have. Hence, the manager forgot what challenges he used to face in junior positions, parents forgot what the kids really want, and the politician forgot the initial purpose of his career.

According to Dr. Dacher Keltner, professor of psychology at the University of California, Berkeley and author of "The Power Paradox", **as people gain more power, whether in the context of work, school, or family, we tend to be "more self-serving and self-focused and wanting to maximize their own gains"**. In other words, power makes us *"a little bit more narcissistic, a little bit less attentive to other people, a little bit more impulsive in our behaviors"*.¹ Dr. Keltner's research confirms an old saying, *"Power corrupts people"*.

Let's look at a hypothetical example. When Richard was a junior staff, he always wanted to contribute his voice in the team meeting.

He felt that the boss was too dominating during the meeting, and the quality of discussion and decision could benefit from the diverse opinions of the team. If the boss were a bit more welcoming to others' voices, team members including himself would feel more engaged and accountable.

Some years have passed. The boss has retired and Richard succeeded the leadership position. When Richard carried out meetings with his team, people followed the unwritten cultural norm – look up to the leader for direction. Richard, now in the leadership position and holds the highest power in the team, simply followed the suit. There's nothing wrong with people looking up to him for direction, he said to himself. The decision-maker makes the decision. What's wrong with that?

Soon, the thought of *"Nothing wrong with that"* turns into *"It's good to be like that"*. Further, the self-reinforcing message becomes *"It has to be like that"*. The higher the position Richard climbs, the more reinforcing that is. *"Power corrupts people"*. It's a one-way street.

Are there exceptions? We might like to entertain the idea that there are exceptions. Better yet, we ourselves are the exceptions. *"I won't be like that", "My situation is different"*.

In a famous social study², researchers asked participants to rate their driving abilities among their

peers. Astonishingly, 88% of the Americans ranked themselves in the top half in terms of driving safety, and 93% of the Americans ranked themselves above average in terms of driving skill. By definition, the number of “above average” cannot go over 50%. Obviously, people often over-estimate their ability in self-assessment.

We wishfully believe that we are the exception to the power corruption pattern. In fact, we are more susceptible than we thought. When the corruption inevitably occurs, we rationalize the behaviors with questionable excuses – “*That doesn't count*”, “*It's an emergency*”, “*I didn't mean to do that*”.

Is there a way to break the power corruption pattern?

Yes, there is. One way is to elevate other's power. By reducing the power distance with others, we put ourselves in situations where we are less likely to abuse the power on hand.

For instance, Richard may break the pattern of “Top-down domination” by creating psychological safety in the team. On one hand, he may invite team members to take turn to air their opinion on the subject at hand, starting from the lowest ranks to the highest. On the other hand, Richard reminds himself to express appreciation to people's input, regardless of quality and quantity. Further, he seeks frequent feedback from others and admits mistakes when necessary. Over time, he may turn the situation

around and prevent himself from falling prey to the power corruption pattern.

By empowering people, we create engagement and accountability. By sharing and distributing power, we are less likely to be the “hero” who dictates and controls everything. By elevating power of others, we develop people's potentials and create opportunities. In short, we can improve the lives of others by giving up some of our power.

It sounds logical and reasonable, but why do few people with power do exactly that? Why do most people only hold onto the power even tighter? It is because we see power as a zero-sum game, like an exhaustible amount of resource on Earth. If you get more, I will have less.

Needless to say, this frame of mind is false. When you give up some power, you can actually gain more, not less of it. There are two reasons.

Firstly, in the fast changing and volatile world today, organizations face new and challenging problems every day. Some problems are totally unforeseen (such as COVID-19 couple years back). No single individual or star leader will be able to have all the answers. One way to tackle this is to take on an iterative approach to problem-solving. It starts with identifying and analyzing the problem, prototyping solutions, testing and evaluating result, and refining and iterating. The success of this iterative approach requires acceptance of failure. Fail

fast, fail forward. The role of the leader is not necessarily someone who has more technical expertise or experience, but someone who acts more like a facilitator in orchestrating the problem-solving process. The leader's job is not to dictate and control, but to develop trust, create room for diverse opinion, and rally everyone to celebrate results. In order to do this, the leader must transfer some of her power as a “traditional manager” to their team. If we believe that this facilitator style of leadership is what the modern workplace requires, we can see why losing some power actually boosts the leader's power.

Secondly, autonomy, growth and development are major motivation factors in the knowledge economy. A workplace that lacks autonomy and growth opportunities won't be able to retain talents. On the contrary, staff who can exercise autonomy at work and receive learning and growth are usually highly engaged. Coincidentally, both autonomy and growth require the leader to distribute some of the power. Instead of dictating the staff what to do, the leader allows the staff to exercise autonomy to decide how to do. Instead of taking the risk of developing the staff and the staff leaves the company, the leader chooses to develop her anyways. Who wouldn't want to follow such leader? When team members are highly engaged, the team's potential and competence levels also go up, giving a boost of power to the team leader.

It is clear that when leaders



give up some power for the benefits of others (team members or the organizations), their level of power actually go up, not down. In other words, when we help others to gain more power, we are actually helping ourselves.

Looking back at Richard's example and the scenarios at the beginning of the article, it seems like power is the culprit. Power corrupts people – that's the dark side of power. Nevertheless, the real enemy is actually ourself. It's our fear of losing power. It's our greed of earning more power. The concept of losing something in order to gaining more is counter-intuitive. In fact, I would argue that if we give up some power only because we want to gain more of it later, it usually won't work very well. We would become calculated, inauthentic and short-sighted. Just like the day-traders who glue their eyes

on the ups and downs of the stock market, we tend to focus on the short-term reward instead of the long-term benefits of others. Again, it is ourselves to blame.

The antidote is to focus on the benefits of others, not ourselves. The purpose of power is to improve the lives of others. We might benefit from it during the process, but it should stay as a positive side effect, not the main purpose.

If Richard intends to grow and develop an engaging team instead of enjoying his leadership aura, he would be willing to give up some of his power to the team.

If parents want to raise kids who do the right thing because it is the right thing to do not because parents told them to do, they would change their approach to educate and guide the kids and let them make their own decision on what to eat.

If the politician aspires to serve the country instead of satisfying his own thirst of power, he would choose to do the right thing even though it might not get him the most votes in the next election.

This antidote is very easy because there's only one thing to deal with.

This antidote is the most difficult because we are battling the devil within.



Brian Tang

Corporate Training
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Transformative Wave: Generative Artificial Intelligence Igniting Malaysia's Digital Economy

Raja Segaran

When we mention ChatGPT, Generative Artificial Intelligence (Gen AI) swiftly comes to mind. Just two months after its January 2023 debut, ChatGPT soared to a staggering 100 million monthly active users, signalling the commencement of a transformative journey with more promises in tow.

As per Bloomberg Intelligence (BI), the Gen AI market is set to skyrocket, projecting a remarkable \$1.3 trillion valuation by 2033 – a whopping 30 times growth compared to the \$40 billion market size in 2022.

The ever-growing demand for personalized user experiences and innovative content is fuelling the expansion of Gen AI applications. Businesses in Malaysia are harnessing Gen AI to craft tailor-made solutions, from individualised product

recommendations to unique artistic creations, propelling growth in various sectors.

Amid these excitements and developments, Malaysia, strategically positioned in the heart of Southeast Asia, is taking the potential of Gen AI seriously. The government's unveiling of the New Industrial Master Plan 2030 (NIMP2030) on September 1, 2023, underscores Malaysia's commitment to making strides in Gen AI. The aspiration is bold – Malaysia aims to be a Gen AI hub. Leading this charge is the Malaysia Digital Economy Corporation (MDEC), a government entity tasked with turning this aspiration into reality through collaborations with international and domestic organizations.

Let's delve into how Gen AI is creating value in Malaysia's digital economy:

1. Boosting Efficiency Across Industries

Gen AI holds the potential to play a pivotal role in enhancing efficiency across various sectors. In manufacturing, AI-powered systems optimise production processes, reducing downtime and improving overall operational efficiency. By analysing vast amounts of real-time data, Gen AI streamlines operations, ultimately leading to cost savings and heightened productivity.

In Malaysia's financial and service sectors, a significant transformation is underway. Gen AI can be employed for data analysis, risk assessment, and fraud detection. The sophisticated algorithms can analyse financial data with unparalleled speed and accuracy, providing financial institutions with valuable insights and ensuring the

security of transactions. The Central Bank of Malaysia or Bank Negara Malaysia (BNM) conducted a survey in 2021, revealing that 84% of respondents involving banks, insurers and payment operators in Malaysia deployed at least one AI/ML application, primarily focused on customer analytics and e-KYC. Additionally, 92% had at least one AI/ML project in development.

2. Catalysing Innovation and Creativity

Gen AI is unlocking new realms of innovation and creativity in Malaysia. In design and marketing, AI algorithms assist creative professionals in generating innovative ideas and optimizing content, accelerating the creative process. This not only keeps Malaysian businesses, including the micro, small and medium, ahead in a rapidly evolving digital landscape but also positions Malaysia as the leading intellectual property contributor in Southeast Asia within the creative and animation sector.

Local animation studios have produced more than 65 original pieces of intellectual property, creating over US\$40.5 million in export value while at the same time expanding their presence to more than 120 countries. Over RM1 billion in annual export value has been generated through over 100 Malaysian gaming studios.

Moreover, Gen AI is proving to be a game-changer in research and development. Malaysian scientists and researchers

are leveraging AI to analyse complex datasets, simulate experiments, and discover novel solutions to pressing challenges. Whether it's in healthcare, biotechnology, or environmental science, Gen AI is accelerating the pace of innovation, potentially positioning Malaysia for cutting-edge research and development.

3. Personalising Customer Experiences

Gen AI's impact on Malaysia's digital economy is most pronounced in the personalisation of customer experiences. E-commerce platforms leverage AI algorithms to analyse user behaviour, predict preferences, and offer personalised product recommendations. This not only enhances the consumer shopping experience but also results in increased sales and heightened customer satisfaction.

In the realm of customer service, virtual assistants powered by Gen AI are becoming increasingly prevalent. Malaysian businesses deploy chatbots and virtual assistants to interact with customers, answering queries, and providing support. This not only enhances the efficiency of customer service but also enables businesses to operate round the clock, catering to a global audience.

Notably, in the Global Business Service (GBS) sector, Malaysia has become the 3rd preferred location globally according to Kearney's Global Services Location Index 2023, where chatbots and other AI

tools play a pivotal role in enhancing interactions with high quality and accuracy.

4. Reskilling the Workforce

As Gen AI becomes integral to various industries, the imperative to reskill the Malaysian workforce and digital talents becomes extremely crucial. Acknowledging this, both the government and the private sector are investing in programmes to train workers in AI-related skills. From data science to machine learning, Malaysian professionals are acquiring the expertise needed to harness the potential of Gen AI in their respective fields.

The focus on reskilling is not merely about preparing the workforce for future jobs but also addresses concerns about job displacement. **By empowering workers with the skills required to collaborate with AI technologies, Malaysia is nurturing a workforce that can navigate the digital economy.**

Recognising the impact of AI on talent development and interaction, MDEC has proactively integrated AI content into its programmes. This includes incorporating AI-related content into awareness and targeted development programmes for both students and teachers in schools, enhancing digital competency and cultivating a future-ready workforce through initiatives such as the Digital Ninjas programme and the infusion of Science, Technology, Engineering and Mathematics (STEM) education in schools.



Similarly at the Tertiary level, MDEC is equipping lecturers and students with AI-related content such as Gen AI, Cybersecurity, Blockchain, 5G, and Web3, and exploring integration into the curriculum. Simultaneously, MDEC has engaged with the Malaysian Ministry of Higher Education (MOHE) and particularly with the University of Technology Malaysia (UTM), in their AI Faculty initiative.

The offering of AI-related courses by MDEC has proven to be among the most sought-after courses for upskilling and reskilling the existing workforce.

5. Addressing Societal Challenges

Gen AI emerges as a valuable tool in addressing societal challenges in Malaysia. In healthcare, AI-powered systems assist doctors in diagnosing diseases, predicting outbreaks, and personalising treatment plans. This not only improves healthcare outcomes but also contributes to the overall well-being of the Malaysian population.

Additionally, Gen AI can be employed in environmental monitoring and conservation efforts. The ability to analyse data from sensors and satellites will allow Malaysian authorities to track changes in ecosystems, monitor biodiversity, and address environmental concerns. This application of AI reflects Malaysia's commitment to sustainable development and environmental stewardship.

In short, various applications of Gen AI are being developed and consumed as more and more opportunities are being unravelled in many sectors of the economy.

6. Building a Thriving Tech Ecosystem

The adoption of Gen AI contributes to the growth of a thriving tech ecosystem in Malaysia. Startups and tech companies specialising in AI development are emerging, attracting investment and talent. Collaborative efforts between government agencies, academia, and the private sector create an environment conducive to innovation, positioning Malaysia as a regional leader

in AI technology and a key exporter of AI solutions.

In conclusion, Gen AI is a transformative force reshaping the digital economy. From enhancing efficiency in industries and fostering innovation to personalizing customer experiences and addressing societal challenges, the impact of Gen AI is pervasive. Malaysia's embrace of the opportunities presented by AI technologies positions the nation not only to adapt to the digital age but also to thrive and lead in the global landscape for innovation and creativity. At MDEC, our passion is unwavering as we seek strategic partnerships to reshape and grow Malaysia's digital ecosystem.



Raja Segaran
Malaysia Digital
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Lessons from the Frontlines: Takeaways from the 21st MAP INTERNATIONAL CEO CONFERENCE 2023

Junie S. del Mundo

Dawn broke over the 21st Management Association of the Philippines (MAP) International CEO Conference with the expectation of an enlightening exchange, and by the time I finished my summation, those hopes were surpassed. The Conference was a meld of diverse insights, pivoting from tech-driven sustainability to holistic ASEAN growth, and it is this variety that made it a tour de force.

Beginning with MAP President Dick Du-Baladad, her inaugural words were an invocation to the MAP's higher purpose in this complex world. Taking a page from Dietrich Bonhoeffer's reflections, she argued for embracing the unknown. Not with fear, but with the curiosity of a traveler encountering a new horizon.

Yet, it was the ASEAN

Secretary-General, His Excellency Dr. Kao Kim Hourn, who delved deep into the intricacies of economic integration. His words rang clear: in unity, there is recovery. ASEAN's future isn't about solitary progress, but about collective resilience. An evocative image he painted was of the ASEAN Blue Economy Framework, focusing on the blue gold within our shores.

Collaboration wasn't just a theme; it was a clarion call. The birth of the ASEAN Management Organization - a joint effort between the Philippines, Singapore, and Thailand - served as tangible evidence. This new organization is more than a committee; it's a symbol of our collective ambition.

PwC Asia-Pacific and China Chair Raymund Chao's segment was a deep dive into the potential of the Asia-Pacific region. His

message was of optimism. Our region, with its blend of cultures and economies, is not just surviving but thriving. Amidst global challenges, our collective spirit remains unbroken. By focusing on intra-regional trade, investments, and partnerships, we pave the path for collective growth.

However, technology, with its double-edged sword, is reshaping our landscape. It's bringing us closer, yet also pulling us apart. Mr. Chao's thoughts served as a timely reminder that while technology can connect, it's trust that truly binds us together.

HSBC Economist for ASEAN Aris Dacanay's discourse on economics was a treasure trove of insights. His recognition of the Philippines potential, especially in the realm of nickel reserves, was illuminating. Here, in the challenges posed by Electric

Vehicles and the shifts in global supply chains, lies an opportunity ripe for the taking.

Another leap into the future came from Mr. Anders Bringdal and his innovative marine transportation solution. He introduced Moby's hydrofoil boats, a marvel of engineering that promises not only efficient transport but also environmental preservation. For an archipelago like the Philippines, these vessels can be a game-changer. They aren't just boats; they're symbols of a greener, smarter future. With the capability of reducing traffic congestion and carbon emissions, the idea isn't just to move faster, but smarter.

However, it wasn't all just technological marvels and grand economic strategies. Mr. Gary Benchehib, Co-Founder of Sungai Watch and Ramon Magsaysay Awardee for Emergent Leadership in 2022, offered a humbling reflection of our environment. A vivid memory of his childhood in Bali served as a poignant reminder: Our planet's health is deteriorating. Benchehib's passion is more than just cleaning up rivers's about restoring a bond with nature, which we have somewhat estranged.

His work on the Citarum River resonated deeply. A river once deemed the "world's most polluted" was given a new lease on life through collective effort. This narrative is a testament to what is possible when communities come together with a shared vision. Benchehib's plea was simple yet profound: Recognize the pressing

environmental issues and act, not tomorrow, but today.

Now, what are we to make of this assortment of ideas and initiatives?

First, the call for proactive leadership is paramount. Our world is in flux, and only by stepping forward can we shape its direction. Complacency, as many speakers echoed, is the anathema of progress. Our ambitions should always be a step ahead, anticipating challenges and converting them into opportunities.

Secondly, it's about people. At the heart of every strategy, initiative, or innovation are the lives it impacts. Investing in them, understanding their aspirations, and ensuring their well-being is essential. They aren't just the backbone of the economy; they are its beating heart.

Finally, we must look beyond the immediate horizon. Long-term thinking isn't just strategic; it's sustainable. It ensures that we don't just react to the present, but we shape the future.

It is important to remember that conferences, like the MAP CEO Conference, are merely starting points. They provide the roadmap, but the journey is ours to undertake. The conversations that took place within those conference walls must find resonance in boardrooms, government halls, and community gatherings. To make tangible progress, these dialogues must translate into actionable steps.

As the curtain fell on this year's Conference, it was evident that it was more than just an event; it was a convergence of ideas, aspirations, and hopes. The discussions were intense, the insights profound, and the commitment to a better future was palpable.

In closing, the words of Atty. Dick Du-Baladad from the beginning of the Conference came full circle. The future is indeed an uncharted territory, but it is one that we must face with hope, diligence, and unwavering commitment. The MAP International CEO Conference of 2023 has lit the torch; it's now up to us to carry the flame forward.



Junie S. del Mundo

Vice Chair of the MAP
CEO Conference
Committee, Chair of
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The link for the presentation materials of the MAP Conference speakers are available upon request. Please contact the Secretariat at christinechoy@hkma.org.hk for details.

Philippines



Management Association of the Philippines

The Jollibee Story: Lessons on Leadership

Ernesto "Ato" Tanmantiong

A jolly afternoon to you all! Let me begin by expressing how excited and grateful I am to be accepting this award from the Management Association of the Philippines, an organization I have always respected which, for over 70 years, has helped shape generations of managers. You have given me the honor of being in the company of strong Filipino leaders I admire.

Thank you. This award is more valuable to us as it is a recognition of the men and women that make up our Jollibee Group family across the globe; and of the countless people who we work with each day to bring the joy of eating to customers around the world.

This year, we are celebrating our 45th year – a milestone for us, but especially for our Chairman, founder and brother, Dr. Tony Tan Caktiong, his wife, Grace, my siblings and brother-in-law, who set up our first two small ice cream parlors back

in 1975. I hope you'll indulge me in recounting our Jollibee Foods story because everything I've learned about management stems from my experiences at the company.

When we opened our franchised Magnolia shops, we were only serving ice cream. But when our customers started to look for warm meals, we decided to serve sandwiches and hamburgers. Amazingly, the burgers became popular, eventually overshadowing our ice cream offering. I'll let you in on a little secret about how we attracted customers to come by and try our burgers. We situated our grilling station at the front of the store and installed the exhaust hood in such a way that the beefy aroma would blow towards the street. The burgers would smell so good that as people passed by, they were drawn in to come and eat. That insight would later become the inspiration for our "langhap-sarap" campaign which still works today. And from that

shift to burgers, Jollibee was born.

Even during the early years, I felt that the values we learned from our father truly honed the way we ran the business. When we were younger, we helped out at the Chinese restaurant that he established in Davao City. There, we learned many things, including the value of discipline and hard work, as well as the value of truly listening to your customers. The most important lesson he taught us though, was that we needed to strive for excellence in whatever we pursued in our lives. He said, if you are a tailor, then the clothes need to be made impeccably and fit flawlessly. And if you're in the restaurant business, you need to make sure that your food tastes really good. To this day, his words continue to guide us in our journey.

Like many success stories, we faced a lot of challenges along the way. One of the biggest in the early years was the entry of McDonald's to the Philippines in 1981. At that time, we only had 12 stores. We were warned that McDonald's tended to wipe out their local competition so a lot of friends advised us to close the business. "*You can't compete with a global giant*", they said.

And yes, we were clearly disadvantaged in most operating areas back then, from our equipment to our processes, BUT, we had a clear and important advantage—our food tasted better. So, instead of chickening out, we served Chickenjoy. And today, that Chickenjoy has been voted the best fried

chicken not just in the Philippines but also in the United States, Hong Kong and Singapore. In the Philippines, Jollibee is now bigger than the top 2 well-respected international competitors combined. And this is rare in any market where McDonald's and KFC are present. We're happy that this is a source of pride not only for those of us at the company, but for all Filipinos as well. It makes this award even more meaningful and exceptionally joyful as it coincides with Jollibee's 45th anniversary.

Seeing how Jollibee has filled the hearts and plates of Filipinos, our dream grew with the earnest desire to bring our homegrown Jollibee to the world. The globalization of the Jollibee Group, began with the expansion of the Jollibee brand.

We first aimed to cater to the overseas Filipino community abroad, opening in Filipino-heavy locales so we could bring them the joy of home through their Jollibee favorites. Secondly, in our ongoing crossover stage, we started catering to the mainstream non-Filipino market in each country, from which we're starting to see great results to. Today, 80% of the customer base in our stores in the United Kingdom are local non-Filipinos, and over 60% and 70% in Hong Kong and Singapore, respectively. In Brunei, the number goes up to 95% and in Vietnam, it's almost 100%. The goal is to go full mainstream because we believe that Jollibee can appeal to diverse groups of people—that exceptional taste

overcomes boundaries of race, age and culture.

All of this would not have been possible without the dedication of all the people who have worked at Jollibee throughout the years. Without their passion, their love for the brand and country, their belief that this company is something worth sharing to the world, we would not be where we are today.

To me, they are the rightful recipients of this leadership award. I am blessed to work with so many talented and hardworking leaders and individuals, who continue to support our journey to be one of the world's best restaurant companies.

In the early days of our globalization, to ensure that our own unique brand of Jollibee happiness is authentic and consistent around the world, some of our best managers immigrated to different countries and started their new lives there so they could bring Jollibee to their fellow Filipinos abroad. They became our ambassadors, bringing the warm service and hospitality that really makes Jollibee feel like home. It is on the backs of their sacrifices and dealings and insights in new countries or territories that we were able to build our store networks and create a solid presence. From hiring and training locals to embody the Jollibee culture, to ensuring operations run smoothly.

With every country that we entered, our R&D, procurement and supply chain departments were working constantly to

ensure the steady supply and localization of recipes. It would mean researching suppliers, sourcing locally available ingredients and figuring out how everything will affect the recipes in terms of taste and cost. A graceful dance that needed to be done for every new country we planted the Jollibee flag on.

This is only but a small insight to the complex action happening behind the scenes of all the news articles about Jollibeos popping up in country after country. Indeed, it is our people and our partners who truly make this journey, no matter how challenging, a joyful one.

And for the Jollibee Group, we didn't stop with just growing the Jollibee brand internationally. We started acquiring local restaurant brands so we could penetrate the foreign markets at a faster pace. **Before long, from a single brand in 1978, we have become one of the largest and fastest-growing restaurant companies in the world with 18 brands operating over 6,600 stores across 34 countries,** including international brands such as The Coffee Bean and Tea Leaf, Michelin-starred Tim Ho Wan, and Smashburger. In the Philippines, we also operate Burger King, Panda Express and Yoshinoya. Our global expansion focuses on 3 pillar markets – Philippines, China and USA and 4 categories with key lead brands within each. For chicken, we have Jollibee as the lead brand. For Chinese

cuisine, it's Tim HoWan. For coffee and tea, we lead with Coffee tea, we lead with Coffee Bean ; Tea Leaf and for burgers we have Smashburger.

Like everyone else, we got hit by our biggest challenge ever in 2020. The COVID-19 pandemic affected the restaurant industry the hardest. Yet amid this unexpected challenge, we found huge opportunities. We quickly pivoted from our largely dine-in focused business to offer delivery options. We beefed up our digital capability, implementing an accelerated digital roadmap that helped us better understand and connect with our customers including improved apps, delivery websites, and strategic partnerships with food aggregators.

Despite the immense challenges and obstacles we encountered in the pandemic and post-pandemic years, I'm happy to report that the Jollibee Group has shown strong business results. Through everyone's hard work and dedication, our sales and operating income reached record highs in 2022, increasing by 40.2% and 58.4% respectively from 2021. As it was, 2021 had also been a defining achievement for the company when we returned profitability to pre-pandemic levels through cost restructuring and strong cost and profit management.

In 2022, we opened 542 new stores across the globe which is our highest ever in a single year. And Jollibee Foods' stock price

outperformed the market with 6.3% growth.

I'm also happy to share that as of the latest quarter Q3 of 2023, we were able to outperform even the record-high quarter sales and operating income of 2022 – achieving the best-ever quarter in the history of JFC.

We are likewise grateful for the recognitions we have received throughout this journey, which inspire us to work even harder.

This year, we were cited among TIME Magazine's World's Best Companies. We were also the only Philippine-based company honored with the Gallup Exceptional Workplace Award, ranking us among the world's top organizations dedicated to cultivating a culture of engagement among its people that drives performance excellence. The company was also named in Forbes' list of the World's Best Employers for three consecutive years, with the Jollibee Group being the highest-ranking restaurant company even among international restaurants and also the highest-ranking Philippine-based company in 2022.

In the US, four of our brands—namely Jollibee, Chowking, Smashburger, and The Coffee Bean and Tea Leaf—made it to Newsweek magazine's list of America's Favorite Restaurant Chains this year. For Jollibee, on top of being named as one of the Hottest Brands in America in 2022, it was also named the fourth most valuable brand in the Philippines and among the fastest-growing restaurant

brands by Brand Finance this year.

These results and the continued recognition we receive only show that by staying true to our mission of serving great-tasting food and bringing the joy of eating to everyone, we can overcome the biggest challenges and emerge stronger with an even brighter, more joyful future ahead of us.

While we continue to build and invest in our business, we are also investing for the future by implementing more sustainable business practices.

As we grow, we acknowledge that our responsibility and impact on the world grows as well. Early this year, we launched our Global Sustainability Agenda called "Joy for Tomorrow" which articulates our deepened commitment to a more sustainable future through three key pillars – first is Food, providing quality food that can be trusted, second is Planet – treating the planet with care, and third, People - uplifting the lives of people in our communities.

Through the years, our Jollibee Group Foundation continues to help provide improved access to food in line with the company's forte and in support of our sustainability agenda.

One of the programs we have is the Farmer's Entrepreneurship program, which trains small farmers how to manage their farms as a business on top of

elevating their farming knowledge, and enabling them to connect with institutions, like the Jollibee Group, directly to supply produce. This has resulted in increased income and improved livelihood for these farmers. Since 2009, over 10 million kilos of produce or about P477 Million of revenue has been earned by 700 farmers through this pioneering program.

Another program is the Busog, Lusog, Talino (BLT) School Feeding Program which continues to support the Department of Education's feeding program through the BLT school kitchens we've built. Meals are prepared in these kitchens based on JFC-developed guidelines and are served to hundreds of students each day so that they can continue studying and graduate as they no longer come to school hungry and unable to concentrate. By making sure they're busog and malusog, there's no reason why every student can't gain talino at school so they can excel in life.

On top of the farmer and school feeding program, we have also established the Jollibee Group FoodAID disaster response program which has provided over 12 million meals to calamity-affected communities, including those in need of food during the pandemic.

Lessons on Leadership

As I look back on our 45 years in business, we've really come a long way. The company has evolved from a small, family-run business into a professional

and global organization. I consider myself blessed to have had my own leadership journey grow alongside that of the company's—from an all-around part time store crew during my college days in 1975 to store manager in 1978, to assistant operations manager, to Operations Manager in 1985, to Executive Vice President, to President of Jollibee brand to COO of JFC Philippines and then to 2014 when I was appointed as President and CEO of the Jollibee Group.

I have learned many things on this journey, and would like to share four of them with you:

- The first is that it is important to surround yourself with people who are competent, passionate, and dedicated. We always knew we didn't know everything and couldn't do everything. So very early on, we worked with consultants and individuals to professionalize the company and chose people who shared the same values that we upheld.
- The second lesson is to share your success and prosper together. I have learned that genuine sharing is when you are willing to give even things you need for yourself, whether it be time or resources. It is important not to get caught up in your own success, but to be grateful and share it with the people who helped make it happen.
- Third, always keep a

positive outlook of the future. It doesn't mean being blindly optimistic, but rather looking for opportunities in every situation. We shouldn't be angry with the people who bring up problems to us, but rather, we should thank them for being honest and helping us pinpoint a problem that when solved could make us or the company better.

John F. Kennedy introduced this concept in his 1959 campaign speech. He said, "*When written in Chinese, the word crisis is composed of two characters – one represents danger, and the other represents opportunity.*" For me, I take comfort in this thought that every crisis or setback comes with a learning moment to progress myself or the company.

- Finally, I've learned that it is important to always dream big with passion and commitment. From that year we set up shop 45 years ago, it was our big "crazy" dream which brought us to where we are now. We've encountered our own fair share of failure in the process, but thanks to our team and our shared dream, we persevered.

People often ask, "What is the secret to JFC's success?" – and my four lessons above sum up my answer. It all starts with lesson #1. The competition may have had all the resources, but there is one thing they didn't have and that is the JFC team.

From our store teams to



those in our commissary and distribution center, our delivery riders, and in our support functions and corporate office, to our franchisees and business partners: our hardworking and passionate people inspire us every day, share in our dream and values, and pave the road forward alongside us. We share our successes together with a positive outlook for the future, so that we can all continue to dream big with dedication and commitment.

As I close my remarks, I would like to thank our JFC Board of Directors headed by our Chairman and Founder, Dr. Tony Tan Caktiong and my siblings for their constant guidance and support. I would also like to thank my late mom who lived a full life at 94 for providing the family values of unity and hard work.

I would like to also give a shout-out to this one person who stuck by me through thick and thin, and gave me the inspiration, positive energy and encouragement through all these years. She is none other than my wife of 40 years, Susan, who, by the way, was Chief Procurement Officer of JFC for 37 years until she retired two years ago. And to my children, thank you for understanding the demands of my job and for always cheering me on. From them to all the people of the Jollibee Group, past and present, and to our millions of valued customers, it is on their behalf that I am joyfully receiving this award.

Thank you, Management Association of the Philippines for honoring our Jollibee Group family with this award.

I hope you will continue to cheer us on as we continue to go bee-yond borders, bringing the best of the Filipino to the world.

**Ernesto “Ato”
Tanmantiong**

President of
Jollibee Foods
Corporation

(This was lifted from the author’s Acceptance Speech as the “MAP Management Person of the Year 2023” Awardee. He is President and CEO of Jollibee Foods Corporation.)



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About AAMO

AAMO is a partnership of National Management Organizations (NMO) whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, nonpolitical and not-for-profit Association of NMOs, which promotes, facilitates and supports the development of professional management in the Asia Pacific Region. The current 11 members of AAMO are Australia, Hong Kong, India, Macau, Malaysia, Nepal, New Zealand, Pakistan, Philippines, Sri Lanka and Korea.

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