

35<sup>TH</sup> BOOK OF THE YEAR

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Bled School of  
Management

*A School with a View*

## What makes a company 'Future-Ready'?



2022

*“Future-readiness  
is always work  
in progress.”*

*(Prof. Howard Yu)*

**BTC**



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INNOVATIVE PLASTICS SOLUTIONS

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# What makes a company 'Future-Ready'?

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# Welcome address by Prof. Danica Purg

*President of IEDC – Bled School of Management*

Good morning your Excellences ambassadors, dear Minister Prof. Igor Papič, dear Prof. Howard Yu, dear panellists, dear Supervisory Board members, dear friends and guests from 19 countries, welcome to IEDC, to our traditional Annual Presidents' Forum!

I am happy to see so many old friends and I would like to express a warm welcome to all of you, especially to those of you who are here today for the first time and also a heartfelt welcome to everyone who is joining us online (from Austria, Croatia, Germany, Ireland, Italy, Kosovo, Kazakhstan, Slovenia)!

IEDC-Bled School of Management was established 36 years ago as the first management school in CEE. Since then, we are keeping the tradition of the Annual President's forum. Every year, we select topics for the Presidents' Forum that are impacting business processes, regional and world economies, our environments and above all leadership issues. We bring to the school prominent thought leaders and experts in their respective fields and afterwards, we publish the so-called book of the year with the content of the forum and send it as a New Year's present around the world. So far, we have a collection of 34 books!

Throughout the years, we became well known as the institution that develops leaders in an innovative and responsible way. For our efforts, we were ranked among the world's top 100 business schools on the WURI (World Universities with Real Impact) ranking and we are particularly proud to be among the top 50 in Ethical value, Entrepreneurial Spirit and Crisis management categories. We believe that ethics, sustainability, creativity and innovation are the most important for the success of every leader, organization and country and the pre-condition to be successful today and sustainable in the future.

This year, we are dedicating the Presidents' forum to the topic "What makes a company future-ready" and we have invited Prof. Howard Yu, the IMD LEGO® Professor of Management and Head of Future Readiness Center that specializes in technological innovation, strategic trans-

formation, and change management and author of the award-winning best-seller “LEAP: How to Thrive in a World Where Everything Can be Copied”. Professor Yu was named by Poets&Quants, the famous management magazine, as one of the world’s leading business school professors under 40 in 2015, and in 2018 he was included on the Thinkers50 Radar list of management thinkers.

In these uncertain times, as Prof. Yu claims, businesses are experiencing a series of seismic shifts as a result of global developments and managers must align with the trends affecting their sectors to successfully cope and prosper.

However, at the same time, everything has its cycles or, in Prof. Yu’s words: what goes up, will sooner or later go down. The fact is that people and organizations and even industries come and go. This is why in coping with and preparing for the future, we may sometimes feel as going up and down the moving staircase. As much as we try, the developments are often faster or full of unpredictable changes. But - as leaders - we have to face the difficulties and explore the often-unknown future, which is many times surprisingly closer than we imagine.

It will also be interesting to discuss what means the future for an organization (tomorrow, next month, next year, 10 years from now...).

We are here today to learn and discuss how can we as organizations and leaders embed the strength to react to foreseeable and unforeseeable developments and lead according to the changing circumstances. This is why we have invited prominent business leaders from different sectors and from different countries, to give us some insights into their future readiness. We have with us: Mr. Blaž Brodnjak, Group CEO, NLB d.d., Slovenia, our MBA alumnus; Dr. Martina Dalić, President of the Management Board, Podravka d.d., Croatia; Dr. Thomas Narbeshuber, Vice President Central & South East Europe, BASF, Hungary; Prof. Stjepan Orešković, Owner, M+ Group, Croatia and President of the Supervisory Board of our school; and Mr. Fabris Peruško, Member of the Board of Directors and Chief Executive Officer, Fortenova Group d.d., Croatia.

The panel will be moderated by Prof. Howard Yu, who will also wrap up what we learned today. But before I give the floor to Prof. Yu, I have the pleasure to invite a representative of the Slovenian government, the Minister of Education, Science and Sport, Prof. Igor Papič to give the address.

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# Address by Prof. Igor Papič

*Minister of Education, Science and Sport of the Republic of Slovenia*

Ladies and gentlemen,  
Distinguished guests,

It is a great pleasure and honour for me to welcome you on behalf of the Ministry of Education, Science, and Sport of the Republic of Slovenia at this annual event: the Presidents' Forum of IEDC–Bled School of Management. I am impressed by the title of the main theme of today's event: What makes a company future-ready? I would extend this to a broader topic: What makes a society future-ready? I can answer this question in just a couple of words: science, innovation, interdisciplinarity. I would also like to mention Society 5.0. I will come back to this term later on.

For a start, allow me to provide some basic information about the main plans of our government, and the issues that it needs to deal with, related to innovation. I am convinced that we have a good foundation for fundamental research. We have a research agency for that purpose. But the main motivation for me to change a safe academic environment for a turbulent position in politics comes from my idea that we have to improve the innovation system of our country through applicative research.

We adopted a new law on science and innovation (the Scientific Research and Innovation Activities Act) at the end of the year 2021. It stipulates that we need to set up a technology or innovation agency. We used to have such an institution. I do not wish to discuss why it was incorporated into another organization, but it is clear that we have to combine fundamental and applicative research for better knowledge transfer to society.

I truly hope that we will manage to reorganize our government. The Ministry of Education, Science, and Sport would be divided into two ministries - I would be responsible for the Ministry of Higher Education, Science and Innovation and the other would be the Ministry for Education. Based on this, and in accordance with the stipulations of the Scientific Research and Innovation Activities Act, I am planning not to establish a new agency for technology development or innovation, but to combine this institution with the existing research agency.

There are many questions here, such as how this will be financed. Of course, we would like to keep the financing of fundamental research as it has been until the present. But the idea is to establish a second pillar for innovation and we have to provide additional funding for it. I am convinced that we have available knowledge in this country. The question is how to make better use of it, and, of course, how to increase the added value to the economy through a more efficient transfer of knowledge.

So, funding is the main issue. We are planning to increase the funding for the research activities but there already are funds for innovation in various ministries such as the Ministry of Economic Development and Technology, the Ministry of Infrastructure, the Ministry of the Environment and Spatial Planning, and even the Ministry of Defence. And we have to use these funds efficiently. The Ministry of Defence is dedicating between 30 and 40 million euros in the next two years only for research. So, the idea is to combine all these funds from different ministries into a technology-and-innovation pillar.

If I just add up some numbers, I see that we can get additional 100 million euros of already available money that can be used in different ways. It can be spent on public calls, the establishment of consortiums, and so on. The problem today is that academic institutions, such as universities and research institutes, are not allowed to be full members of such consortiums when there are calls for their establishment. In my view, that is a big mistake. We have to provide conditions for long-term cooperation between industrial partners on one side and research institutions, especially in the fields of natural sciences and technology. This is probably the main issue that we have to address in the next couple of years.

I would also like to mention that we have additional money available within the Resilience and Recovery Plan. Just our ministry has 145 million euros. We also have a new cohesion policy fund till 2027 in the amount of 450 million euros. Recently, I had to answer some questions in our parliament regarding the financing of research. I can provide absolute figures but percentages are probably more indicative. At the moment, we provide 308 million euros per year exclusively for research. Next year, this figure will be 371 million. In 2024, it will grow to 440 million euros. In just two years, we see a 40 percent increase in the funding for research. The Resilience and Recovery Plan and Cohesion Fund can add another 70 million euros. And I mentioned already, the research budgets of the other ministries. According to our plans, in the next two years we can probably double the research funds.

We often complain about the poor financing of research in Slovenia. Now, we have to change the paradigm. We should start thinking of efficient use of the available money. As I said, we will keep the financing of fundamental research. But we also need to improve the knowledge transfer system through applicative research. We have to help our economy achieve higher added value.

These are the main issues that we need to address.

I also mentioned interdisciplinarity and Society 5.0. The Japanese approach to Society 5.0 is perhaps the closest to European. The European equivalent is something like Society 2050. What does this mean compared to Industry 4.0? It is clear that we are not talking anymore about industrial development up to 2050. We are talking about societal development, Society 5.0. It is not just a question of new technology. Other fields are also important, such as the social sciences and humanities. We have to work together. According to my experience with large demonstration projects - Slovenian or international - for instance we are now finishing a smart grid project NEDO with Japan, we learned very quickly that technology is the easiest part if we are talking about the development of new services and new products. Of course, when we started some of those large projects, one question was what technology could be used. This answer was easy. But there were also other questions that had to be addressed, like the business model. Business models are very important. We know that without an appropriate business model nothing will work in the real world. We also have legal issues because in research projects you are often developing something that is not allowed yet because it does not yet exist. It is also important to consider societal issues. We have to ask people what they need. Our potential users define our future development. That is the basic idea of Society 5.0: that new development is not dictated by technology alone, but also by people who will use it. Why am I mentioning this? Because this is the way to avoid many types of misuse of technology. We have to improve our innovation system and the system for transferring knowledge to society by including social sciences and humanities in the equation. This government has a very clear idea of what to do in the next three years so as to improve the added value of our economy.

I wish you a very successful event, with a lot of good discussions and exchanges of opinions. I also always add "good coffee breaks". I think that is the most important part of any event. To those who are not from Slovenia, I wish you a pleasant stay in beautiful Bled. And, as the mayor of Ljubljana is not here, I dare to say the most beautiful town in Slovenia.





Prof. Igor Papič, Minister of Education, Science and Sport of the Republic of Slovenia and Prof. Danica Purg, President, IEDC-Bled School of Management



Prof. Howard Yu, IMD Lausanne, Switzerland and Prof. Danica Purg, President, IEDC-Bled School of Management



Welcome address by Prof. Danica Purg, President of IEDC-Bled School of Management

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# What makes a company »Future-Ready«?

***Prof. Howard Yu***

*IMD LEGO® Professor of Management  
and Head of Future Readiness Center*



Keynote lecture by Prof. Howard Yu, IMD Lausanne, Switzerland

Good morning, everybody. It is a great honour for me to be in this beautiful place. I live in Lausanne, Switzerland. We have a lake and majestic mountains around it, and I was impressed until I came here. You have a castle sitting right above the lake! Thank you for bringing me here.

Today, we are going to talk about getting ready for the future as a company and a leader. How can we think about that? One of the most challenging tasks for leaders and managers today is to figure out what kind of world we are living in, so that they maximize their opportunities while buffering against adversity. Until recently, we thought that the economy would soon be roaring, like in the 1920s. We were emerging

from the pandemic and everything looked good. All of a sudden, we are talking about rampant inflation, an energy crisis, and a recession. We are also observing the distancing of China from the United States, the uncertainty associated with technology, the supply chains that we are confronted with. The average energy bill in the UK is set to be almost three times as high as last year, and this is the situation that we see across much of Europe. As a result, the business community is panicking. Businesses are cutting all sorts of costs: employee travel, marketing expenses, office space, software spending. Amazon's evaluation has fallen below a trillion US dollars.

I think that this is the moment to take a pause and analyze the situation so as to figure out if we are witnessing a durable crisis or a temporary shift. As a leader of an organization, you have to see this clearly. The last thing you want is to panic at this moment. The people reporting to you are looking at you for direction.

Andy Grove, the legendary former chief executive officer of Intel said „Bad companies are destroyed by crisis. Good companies survive them. Great companies are improved by them“. It is up to us to shape our own future.

What is today's roadmap? It is very simple. First, we have to define future-readiness. Every executive I have talked to is obsessed with this concept. „Is my organization future-ready?“ The good news is that you can measure it through a balanced scorecard. Some of you asked me, „Oh, you are a Lego Chair professor! What does that mean?“ Well, I am not made of plastic. The Danish company has sponsored us and we have opened a center for future-readiness. We track the hallmarks of future-readiness across industries around the world. We look at the automotive industry, consumer brands, and the pharmaceutical industry, including large and small companies. Of course, we also want to know who is future-ready in the technology sector and banking as well. We find evidence of universal behaviour, regardless of the sector. This is great news for us as it means that we can learn. Your problem is not unique. You are not alone. So, we try to find out what we can learn from these companies.

How can we define future-readiness? It is a quality of an organization that can transform itself and its core business while building a new growth engine. A finance department or manufacturing needs to become more efficient and, at the same time, they need to bring effectiveness to the next level. This is what future-readiness is about. Learning today and winning tomorrow. It is a simple concept. It is all about building organi-

zational capabilities. Think of your own company. You are established and successful. There must be some historic capabilities that you have mastered already. If you talk to auto-manufacturers for instance, they will tell you that they have great mechanical engineers. But to continue to be winners tomorrow, you need more than that. You need to try. What are your research and development potential? Do a market test. You have to be able to move fast, fail fast, learn, be agile. Then, at some point, you have to make a commitment and scale up big.

Organizations tend to fumble between the transition from stage number three (placing small bets) to stage number four (big commitment). Why? Because stage three involves reversible decisions. Trying small things is fun. You go to Silicon Valley, China, or Israel, to visit a company. But the next stage is hard. Here you need to commit. And this is an irreversible decision. Maybe you will have a new product portfolio that will substitute the old one. You have to let go of the past. Future-readiness is always a work in progress. If we do not progress, we expose ourselves to danger.

Let us now put ourselves into the shoes of some industries. Think of consumer brands in retailing. Consider shoes. Once upon a time, there was reliance on mass marketing, standard channels, and standard products. You run a global advertising campaign, selling one model. If you win, you win globally. This was the strategy of Nestle, Coca-Cola, and Unilever. But today, the focus is on personalized experiences, omnichannel, and customized offerings. You use third parties to spread the good news about your product. Earlier today, I heard people talk about personalized mattresses. Think of the automotive sector. It used to rely on mechanical engineering and combustion engines. Today it involves self-driving vehicles. In the banking sector, there is a shift from retail branch management to artificial intelligence and mobile services. In Switzerland, there are banks with lots of physical branches. But tomorrow this will change. There is also a shift from a human advisor sitting in a bank office, selling you a product, to a much deeper type of core capabilities.

This is the dilemma. How do you navigate the past toward the future?

In the automotive industry, Tesla has the highest market capitalization, exceeding that of the second company, Toyota, almost four times. That is a bit strange since Toyota is the largest car manufacturer in the world. But if you divide these figures by revenue, the outcome becomes even more dramatic. And all the top companies in the ranking are new

kids on the block, which have popped up out of nowhere. We can dismiss this, saying that the financial market is crazy. But it has been crazy for quite a while. We are talking about 15 years of craziness. And look at the investors. They include the Norwegian sovereign fund, Goldman Sachs, Morgan Stanley. If you have a pension fund, your money is probably invested in Tesla, like it or not.

So, the financial markets see Tesla as having something that other companies in that industry do not have. However, we know that an electric vehicle is a commodity. Even Nissan and Renault, at the bottom of the list, have electric vehicles. In that case, what is it that Tesla has that other companies do not have? I can tell you that the German engineers in Munich and Stuttgart are very angry at the moment. They think the world is unfair. They hope that Tesla's stock is going to crash and then they will have a happy celebration. But BMW also makes electric vehicles. So does Daimler. How come investors are much happier with Tesla? Is it the personality of Elon Musk?

Thirty years ago, 70 percent of the evaluation of a company stemmed from tangible assets: the factory, the cash in the bank. Today, 70 percent comes from intangibles: brand, technology, data and algorithms. A car is a supercomputer on wheels. However, German companies are having trouble with their semiconductors. They are outsourced to Bosch, which, in turn, outsources to Infineon, which asks Taiwanese companies to make them. But Tesla has been working with TSMC for a long time. They see themselves as an information technology company and are agile. Agility is not just a mindset. It is not just culture. It has to do with what you know. If you have the know-how you are agile. You can be fast and resilient. It has to do with scaling up capability. The irony of the semiconductor shortages is that they have exposed a lie that has been perpetuated for some time. General Motors says, „We are ready for the future“, but it is clear that it is not. Warren Buffet says that when a crisis hits people get exposed. It is like swimming in the sea. When the tide recedes, people see that you are naked.

Here is the key insight. To be future-ready, you need to score high on a composite index. You need to be strong financially. In some industries, such as automotive and pharmaceutical, research and development are important. You also need diversity at the leadership level. I am not talking just about diversity in terms of gender and nationality. Industry background is also important. If the whole management team consists of people who were born in Munich, have studied in Munich, and have spent all their work life in Munich, how can they reinvent their busi-

ness? If you are in the banking business and your whole team is from Zürich, what innovation would you expect? Diversity of thought is really important. It feels good to work with somebody who looks like us and thinks like us. But all of a sudden, you see an alien sitting on the board. What is the point? That is the point. You need someone who makes you uncomfortable so as to reinvent yourself.

Facing industry convergence, future-ready companies integrate relevant capabilities ahead of time, which means ahead of the competition. A key question for you to reflect on is which of your competitors is the best at integrating future capabilities. In other words, who is the young Tesla of your industry? After you return home, talk to your colleagues about this.

Imagine you are successful. You are good at integrating capabilities ahead of time and you are growing. What is the big challenge? Complexity. Everybody is talking to everybody else. Everybody is trying to coordinate. During the pandemic, you probably felt that you received a lot more e-mails than usual. The pandemic drove people crazy. A lot of people started working remotely and work days got longer. Why did people have to work so long? They had a lot of e-mails to answer. How many of you feel that you have been receiving too many e-mails? You just cannot cope anymore. Why is this so? When people work remotely, they do not know whom to ask for permission. So they copy everybody in. People also participated in a lot of virtual meetings. Some people even learned how to master parallel conferencing, with three laptops at a time on their table. This is an extreme case of multitasking.

The last thing you want when you are on a plane is to have the pilot check his e-mail while the plane is taking off. Multitasking is a necessity when you have no choice, but it destroys creativity and experience. What is the solution? We need to use new technology to simplify tasks.

Have you heard of application programming interfaces? To those in the banking sector or information technologies, this is everything these days. People also talk about strategy organization design. It is like a waiter who simplifies communication. Imagine you go to a Japanese restaurant. The waiter comes and takes your order, then goes to the cook and says “I have a customer who wants a Californian roll”. The role of the waiter is to simplify communication. The problem with companies that have grown bigger is that a lot of communication becomes very complicated.

Amazon is an example of a company where communication was so difficult that it was going to collapse. They adopted an application pro-

gramming interface. Around 2000, Bezos discovered that Amazon was in deep trouble, not because of a lack of ideas but because of its internal complexity. They had teams arguing with each other. Think of marketing and research and development, for example. Or finance and sales. At Amazon, they had application developers. They also had a team responsible for information technology infrastructure. That was before the existence of cloud computing when every company bought a server. Each time Amazon ran a promotion, it had to tell its information technology people to get ready for more customers. The information technology people would get upset because they need time to get prepared. They blamed each other in front of Bezos all the time. He had an idea. He thought the employees could simply announce their requirements ahead of time. Then, through the application programming interface, people responsible for information technologies learned what new features were going to be launched. That gave them an idea about the future requirements that they needed to consider. With the new system, the marketing team learns automatically what is available. So, there is no more old-fashioned communication. Everything is on a menu, and there is complete transparency.

In most companies, knowledge is the power that people do not want to share. The more information I hear, the more secrets I know, the more powerful I become. Jeff Bezos asked his people to share their information through the application programming interface, threatening those who refused to do that with dismissal. It resulted in a cultural transformation from a secretive, bureaucratic Amazon, to a much more transparent organization.

One does not have to go to the same extreme as Amazon, but the lesson from that company's experience is that simplification is the key. It is the prerequisite for an agile organization. If an organization does not clean up its plumbing, people cannot act fast.

Some time ago, I had never heard of TSMC. But it is in fact the 10th most valuable company on the face of the planet. It is a business-to-business company that nobody is aware of. But it is very powerful because 90 percent of the most advanced chips are made by that company. As long as TSMC holds that position, China will not invade Taiwan. TSMC's factory is not in California. It is in Taiwan. Who are its customers? Most manufacturers, such as Apple.

Which are the most future-ready companies in the world? Number one and two are Alphabet and Amazon. Intel, which used to be a world leader, is now at number 16.

What is the value chain for a producer of semiconductors? It starts with research and development, followed by design, manufacturing, assembly, testing, and packaging. The last stage is distribution. It looks exactly like any other company's value chain. So what does TSMC have that others do not? If you are a company in California, you can open TSMC's website and immediately see what is available in terms of standard components. You also get information about the performance of the chips that they produce. Once you have liked what you have seen, you press „submit“ and you get an invoice, and if you press „submit“ once again, your order is included in their production plan. You will also be informed exactly when you will get your shipment.

If you are in the business-to-business world, you probably have a large sales force working with your clients. TSMC's system simplifies communication. They will buy other people's IP and make it transparent, and put it online.

The insight so far is that you should make your internal processes transparent to others, and invest in tools to automate external interactions. As a result of this, Nvidia and TSMC, working together, have destroyed Intel. When you are in the semiconductor business, you need constantly to launch innovation. To do that, you need to move fast. When you move fast, you always make mistakes. Think of Intel. They launch something that nobody buys. It is a complete flaw. What happens to the factory? It sits idle. As a result, your balance sheet turns red.

Intel is very conservative. That is why it fell behind. Nvidia and TSMC are very fast. If something does not work out, Nvidia does not care: It is TSMC's problem. But TSMC does not have a big problem, either. It can allocate the cancelled order to Texas Instruments. If they do not want it, TSMC will offer it to Apple. This system acts like insurance. It pools demand together. Together, these companies outcompete Intel.

Today's economic environment requires frienemies. Sometimes you are friends, sometimes you are enemies. There is no one-size-fits-all. So, think about what internal processes you can disclose, and turn them into tools that you put in the hands of your customers. In that way, they can help you invent and implement new features.

When you have capabilities that others do not, the world looks very different. When you do not, everything looks like a threat. Think of Kodak faced with the prospect of digital cameras. That is a threat. But if you possess some capabilities you are ready to scale up, and everything becomes a great opportunity.



At IMD, we have also looked at which banks and card operators are most future-ready. In 2022, business diversity is really important. This implies geographic diversity and product diversity. Interestingly, Mastercard and Visa have been consistently at the top of our ranking, mostly because of financial fundamentals and investors' expectations of future growth, as well as openness to new ideas, and business productivity. How is it that they have stayed on top for so long? It was expected that the plastic card would go extinct, and be replaced by PayPal, Apple Pay, or Google Wallet. But if you use one of those, you use Visa infrastructure. There was a time when Visa did not like PayPal, because it felt it was stealing customers from it. Now they are good friends. They have set up a strategic partnership. PayPal is using Visa infrastructure to stay relevant. Ultimately, this constitutes a competitive advantage.

What have we learned from future-ready organizations? They have built new capabilities ahead of time and ahead of others. Tesla does not have any special capabilities. You do not need to be number one in the world. You do not have to be Google. You just need to be a centimetre ahead of your competition. They have simply managed to scale their capabilities faster than everybody else. Future-ready companies explore and then commit. They embrace industry convergence. They integrate new capabilities vertically and then, later, average open standards. As they scale, they develop new tools for customers. Being future-ready, they can be resilient in a crisis.

The share price of future-ready companies drops less during crises than that of non-ready organizations. Using this approach, we have been able to predict stock prices. However, I would make a disclaimer. This is an academic exercise. Do not use it for investment purposes.

Let us look at Xiaomi. It is a crazy company. It is a new entrant in the smartphone sector. It got listed on the Hong Kong stock exchange two years ago. There is a lot of copycat competition coming from China. Most of those companies die out but a few of them turn into winners. Xiaomi is one of them. It is now upsetting Electrolux because it has a home appliances business. Xiaomi is also eyeing the car manufacturing business. How did it manage to deal with the existing tough competition?

First of all, think about why Apple's iPhones are so successful. One of its features is its consumer-friendliness. They are very easy to use. But there is also something like a religious cult around Apple. Think of the crowds of Apple fans waiting for a whole night outside the stores in New York, just to be the first to buy the next iPhone, knowing that a

week later you can buy that device without standing in line. This is not rational economic thinking. Apple projects a special brand experience to its target users.

Also, an iPhone allows people to have a whole digital life in one place. Everything is integrated into one device.

According to some views, Apple is locking technology, which impedes free competition and is against the law. Some pharmaceutical companies are also dealing with these challenges these days. This highlights the point that likeability matters. To be future-ready, you have to be liked by society. Otherwise, your innovation capability will be curtailed. Today's society expects to see a purpose-driven organization. This is important in any business sector. Some 10 years ago, taking care of environmental, social, and governance issues would have punished your stock price. It was assumed that if you were good at those, you were bad at making money. Today, it is the other way around. If you take care of those issues, your stock price will rise. There is a caveat, though. You need to take care specifically of those issues that are relevant in your industry. For instance, if you are a manufacturing company, you have to reduce your carbon dioxide emissions. If you are a healthcare company, what matters is the patient outcome. If you are a financial company, your emissions do not matter. You have only offices to run. What matters is whether you practice predatory pricing. When you give mortgages in the United States, do you marginalize minorities? Do you have hidden fees? This is a concept called „materiality“.

How did Xiaomi enter this tough industry? Do they have a lot of hardware engineers, like Samsung? No. Xiaomi just copies what Samsung has launched and tweaks it a little. Does Xiaomi have a lot of software experts? No. Does it have great designers? No. It has something called the Mi UI interface. It allows geeks to customize product features. Every Friday, new features are added to that interface and can be downloaded. This may sound like a headache to older people. But to youngsters, it is really fun.

Imagine that you are the head of Microsoft in Beijing. After work, your employees produce software for your competitor, and they do it for free. That is what is going on. Why? Because it is fun. For example, Xiaomi's language translations are done for free. The company's research and development is incredibly cheap, and that enables it to charge low prices. This demonstrates that to motivate your employee money matters but there is a lot more. You have to give them an opportunity to invent

something autonomously. They see the result getting rolled out to the market. They master new skills and feel rewarded. And they get recognized by the community. Then they can hop from Microsoft to Amazon.

Having started with a smartphone, Xiaomi wants to add a laptop and a TV set to its portfolio. The next products are air purifiers, smart cooking stoves, vacuum cleaners, and all sorts of other appliances. They do this in a very simple way. They will invest in a little startup. The main challenge for an entrepreneur is not to come up with an invention. It is the supply chain. It is hard to get a manufacturer interested in a startup. Xiaomi can help you with this. Distribution is also a headache for a startup. Xiaomi helps with that, too.

Now, you may wonder how Xiaomi makes money. It has incubated 330 companies. It has 434 million connected devices. It has 44 percent annual growth. Its gross revenue is 50 billion US dollars. Their chief financial officer says that there are two ways to think of an investment. One is to try to extract as much value as possible from it. The other way is to try to enlarge the pie and give a piece of it to everybody. Xiaomi has chosen the second of these approaches. It helps startups grow. It invests in them but is never their largest shareholder. Xiaomi is the only company in the world that is pursuing this strategy. This illustrates the fact that there are different ways to think about a company's future. There are companies that take a rigid view and talk about a niche market, in which they have to be number one. But there is another way to think about that: trying to leverage your core capabilities so as to build an ecosystem. If you manage that, and deliver a competitive punch in the marketplace, you win. That is Xiaomi's philosophy, I think.

I gave you a number of crazy examples\*. This is not a copy-and-paste strategy. The last thing that you want is to read a McKinsey report on future-readiness practices and copy them. We are a business school. We help you think. Do not rely on somebody else's rule book. Think of a trend that will remain despite the uncertainty and fear of the market. Most companies look at today's situation and plan incrementally as they go forward. As a result, there is always a bias toward the exploitation of short-term niche opportunities instead of exploring the future. In contrast, two-directional thinking gives you an opportunity to deliver today and, at the same time, build a growth engine.

*\*for additional information and new findings, visit  
<https://www.imd.org/future-readiness-indicator/home/>*



Address by Prof. Igor Papič, Minister of Education, Science and Sport of the Republic of Slovenia



Prof. Derek Abell



Dr. Martina Dalić, Dr. Thomas Narbeshuber, Prof. Stjepan Orešković



Prof. Howard Yu, IMD Lausanne, Switzerland



Prof. Howard Yu signing his book with the title "LEAP"



Dr. Thomas Narbeshuber, BASF, Germany; Prof. Howard Yu, IMD Lausanne, Switzerland; Prof. Danica Purg, IEDC-Bled School of Management, Slovenia; Prof. Stjepan Orešković, M+ Group, Croatia; Dr. Martina Dalić, Podravka d.d., Croatia; Fabris Peruško, Fortenova Group d.d., Croatia; Blaž Brodnjak, NLB d.d., Slovenia (from left to right)

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# Panel discussion

## **Howard Yu**

*We have a cross-sector panel: banking, consumer brands, health-care, and other industries as well. We will ask these panellists to talk about general trends in their sectors. Then, we will narrow this down to the level of their organizations. How do you get your organization future-ready? What new capabilities are you building? How do you lead your team? What kind of qualities in them do you see as most important so that they can be future-ready leaders? Finally, what keeps you energized and what gives you resilience?*

*Here is my first question. Despite the wave of uncertainty, do you see a continuing trend? The most important capability of a leader is to understand the world that we are living in. Filter out the noise and see the strong signal so that the organization can commit to what is really relevant. All your employees look to you for reassurance. You have to reassure them so that they do not panic.*

## **Fabris Peruško**

*We are the largest food producer and retailer in Southeast Europe. We have over 45,000 employees and we are the largest employer in Slovenia, Croatia, Bosnia, Serbia, and Montenegro.*

*At this moment we are threatened by two types of uncertainty. One is the price of the main resources: energy and food. The other one is rising inflation, which will continue to be the number one global challenge. It is something that we have not had in Europe for almost 40 years, although we have some experience with inflation in this region.*

*So, I would say that it is important for companies to enter a crisis with a good balance sheet. For the last five years, our main focus in Fortenova Group has been on the improvement of our capital structure. Thanks to that, we will be entering the year 2023 with a stronger balance sheet than ever.*

*We plan to stay the regional market leader in retail, beverage, oil production and meat processing by improving our business model through innovation in three important sub-segments – digital transformation, innovation in food production and integrating ESG in our business model.*

*Regarding digital transformation our first priority is the transformation from a so-called 'data rich' towards a 'data driven' company – advanced analytics based on artificial intelligence and machine learning should help us make decisions based on data, make customer experience more personalized and our everyday work more efficient. For example, we are building prediction models so as to decrease inventories and increase sales. We do this by predicting what people will buy at different stores, and what will happen at the market, so that we prepare for it.*

**Howard Yu**

*Thomas, do you see a similar emerging trend in the chemical industry?*

**Thomas Narbeshuber**

*Thank you for your inspiring lecture. I feel a bit like an inspired dinosaur, now. I am inspired by you Prof. Yu, and I am a feeling like a dinosaur when I compare our industry to your business models in the IT industry. Our industry produces the raw materials for all the products that we see all around us. When Russia invaded Ukraine, some politicians wanted to stop importing gas and oil from Russia altogether. But if you do that, you sever the whole raw material supply chain of Europe. So, this is a critical time for us. But it also allows opportunities. Since the 1990s, we have been achieving a lot to become more sustainable. At that time, we focused on environmental protection, not so much on sustainability-fostering solutions. After 2000, the key was to come up with sustainable products. After 2011, we adopted a core strategic statement: "We create chemistry for a sustainable future". We have developed methodologies that help us get rid of non-sustainable products and invest in products that facilitate sustainability. We are now mainly supporting the decarbonization of our industry. It is a very complex process because the raw materials industry is the most energy-consuming one. This is true for the chemical industry, but also for steel, aluminium, cement, glass, and paper. Our main site consumes approximately as much electricity as Switzerland. We consume about four percent of all the natural gas used in Germany. Not all of this energy is used as energy. Some of it is used as a raw material.*

*The second trend is circularization. We increasingly recycle raw materials. What we see as a framework challenge is that other regions, such as the United States and Asia, are more pragmatic and flexible in their legislature than the European Union. We are extremely restricted. There is a risk that the European Union regulations will damage the raw material industry. If we do not have a competitive raw material industry in Europe, there would be a big question mark on any downstream industry.*

## **Howard Yu**

*That is right. The wealth of a nation depends on the vibrancy of the ecosystem. You cannot have just a bunch of assemblers in the midstream without any upstream. I think you raised a very important question about sustainability.*

*Let us now see how things look in the other sectors represented on this panel.*

## **Martina Dalić**

*One of the most important tasks for leaders in all sectors is to make their people open to change. The changes taking place around us are very deep and structural. These include the consequences of the pandemic and the war in Ukraine. Leaders need to teach their people to be ready for change and embrace it. If we neglect what is going on around us, if we do not pay attention to inflation and changes in the supply chain, if we are not alert, the outcome can be dangerous for the future of the organization. Although we have constantly been talking about the necessity to understand change for a long time, it is currently more important than ever, especially in traditional industries. The years behind us were relatively normal. At the beginning of this year, we still had negative interest rates. Today, we see single-digit numbers. The current environment teaches us a lesson. Making our organizations open and ready for change is extremely important.*

## **Howard Yu**

*Martina mentioned inflation. Where should we put our money?*

*Let us now go to the banking sector and find out how they evaluate the prospect of future growth.*

## **Stjepan Orešković**

*Let me start from a different point. You are running a Center for Future Readiness that is trying to figure out the future of a company based on its existing structures and potential. Oxford has a fantastic Institute for the Future of Humanity. For the first time, the sustainable future of humanity may be strategically connected with future of business. The idea is to find out what will happen, not only to our companies, but also to all mankind, if we continue to do business as usual. Scientific methods are being used to predict the consequences of what we are doing today. Predictions are being made not only for tomorrow, but also for 15 and 30*



*years ahead. We are increasingly better at understanding the consequences of what we are doing at any level. All this used to be disconnected. We are not used to thinking in terms of cause and effect and understanding the difference between causation and correlation. We rather focus on correlation. Now, we are beginning to realize that there is a connection between what we do as a company, an investor, a banker, or a private person, and mankind in general. In technical terms, all this is related to sustainable development goals. Our group is aware that the money that we invest in business affects everything that we care about – environment, science, health, equality. It is not just a theory anymore.*

*You said that we have to think for ourselves, rather than just read a McKinsey report and apply what is written there. The message is that we need to learn how to think creatively. I think it is becoming increasingly possible to be an efficient investor by investing in sustainable development and making a profit out of it, while also being good to one's employees. ESG has the potential to become an operational instrument in connecting the future of humanity with future-ready companies.*

*We grew from 300 employees to 11,000 in five years. Our idea was to transform from BPTO to management of customer experience. In the world of hypertechnological world CX industry becomes increasingly important. The consequence is that the market demand for CX services becomes everlasting. Our response was to augment every existing process by employing new technology and new approaches to the market.*

*We have invested in Turkey since we understand that nearshoring is the future. The most important message is that the future-ready company is one that can trust and connect what we generally call values. Today, I read what Elon Musk does to his employees. He may have his reasons for that but I would never do that. I would never humiliate people while laying them off. They may be my employees the next day. I believe the Berliner Philharmonic model of managing a business is more future-ready than Elon Musk does.*

### **Howard Yu**

*This is a very important point. The most important thing for a company is its purpose. The whole idea of simplifying processes in a company is to allow an entrepreneurial manager to make the right decisions so that the organization is not a pyramid but a flock of birds, or a school of fish. To do that, without losing cohesion, you need something inspirational. That is a higher purpose that we really need to keep in mind.*

*Is this an idealistic dream that the financial sector will never accept? In fact, this is a key trend also in that sector and it affects the valuation of a company.*

### **Blaž Brodnjak**

*We are currently totally torn apart. There is a regional aspect and there is a global one. We are competing in a region that is totally out of global attention. No global businesses are interested in us at all. This means that we are a small bank focusing on client experience, being at the right time in the right place, and providing the right solution. We have enormous opportunities for growth as a regional specialist.*

*From a global perspective, the banking sector is getting driven by the sustainable goals' agenda. The issue is that we see those goals as achieving environmental protection. It does not end there, though. Currently, hundreds of billions of euros are being invested in Europe in weapons instead of in efficient use of energy and its renewable production. That is totally ridiculous and outrageous in 2022. That is a crime against mankind and civilization. I am challenging everybody here, including myself. This is totally unacceptable. We are shooting at each other and we are talking about sustainable goals? We are burning more coal than ever in history. We do not invest in renewable production because we buy weapons. And this is going on in the heart of Europe, the heart of modern civilization. The fact that anybody is fighting anybody else in 2022 is totally absurd to me. We now need systemic thinking, a coepetitive model, no longer a purely competitive one. As long as big countries are still fighting for hegemony, we are in ever more burning trouble.*

*In Slovenia we have a special situation. The governor of the Central Bank is excluding hundreds of thousands of citizens from access to normal banking services. We have people appointed to top positions in key subsystems of our society, who do not have a clue about what they are doing there. This is another very important aspect: governance. Entire countries are led by populists and/or people who are simply not up to the job. Business leaders need to be vocal also about this.*

### **Howard Yu**

*I see common ground here: a need for systemic thinking. We need to think about causality. We need to embrace change. We are not talking just about a leader who can think differently. The whole organization needs to think differently and embrace systemic thinking. I would like to ask the panellists to explain how they make their employees think differently.*

*How do you make research and development, marketing, production, and sales think holistically?*

**Fabris Peruško**

*Our organization is going through a number of transformations. The Group's ownership, credit and capital structure have completely changed today compared to the moment of our incorporation, and its value has increased.*

*We focused on improving our capital structure because it strengthens our competitiveness as well as the provision of better services to our customers. I believe that we have been successful in it. Our market position is now stronger than ever, and this year we achieved the best results in our history. We have been faced with a number of challenges, such as an unstable shareholding structure or the whole credit aspect of the business, which we have also managed to unify. Hence the company has all the time been undergoing a transformation, all those achievements are the result of the exceptional work of the whole team, not only in management. From a leadership viewpoint, all this is driven by examples. Also, a capable leader is one who can recognize the drivers and the limitations of the people in their team and manage that.*

*It is important to be careful with promotions, because if you promote somebody who, in the view of others, does not deserve a promotion, that can destroy the employees' morale. Three years ago, we started building a time management system, and we are now using it to evaluate more than 1000 people in the company. Every year, we identify their strengths and weaknesses as well as their educational needs and personal development needs. We also evaluate the positions to which they could be moved and who could replace them. In that way, when a new position opens up, we have a transparent way to make a decision. This ensures a shared view that the best person has been promoted.*

**Howard Yu**

*In a way, this is like being future-ready. You deliver today, while building a growth prospect. It is not just starry-eyes idealism. If you do not deliver results this quarter, you do not get to play the next round. And it is a difficult trade-off.*

**Fabris Peruško**

*For years, we operated in an environment where capital was cheap. We were solely focused on growth. Now, capital is becoming more expensive*

*and traditional business models will become more valued because they have been tested and are known to produce good results. We are now going to be much more focused on profitability than on growth driven by cheap capital.*

**Howard Yu**

*This is interesting. This means going back to fundamentals. I liked the whole discussion about systemic or systematic thinking. As an organization grows, whether it is a retail business or a consumer brand, a bank or a pharmaceutical firm, the biggest risk is that purpose can drift away. We see this a lot when the founder of the company hands it over to a professional manager. The founder's mentality is lost in the process. From your perspective, how do you keep that purpose alive? How do you infuse that purpose into the system so that it maintains some sustainability?*

**Stjepan Orešković**

*Let me first refer to the leadership model. The leadership role model I am a firm follower of is Ernest Shackleton's "no one left behind model". Unfortunately, the history books are full of opposite role models - leaders that are paving the way to success by leaving huge graveyards behind. Graveyards of people, employees, companies, cities, and natural resources.*

**Howard Yu**

*That is how some chief executive officers try to create shareholder value. That used to be the main purpose of a business organization in the United States.*

**Stjepan Orešković**

*The question is what kind of approach is better for sustainability. Our family is a majority shareholder and we have 23 investment funds plus small shareholders as partners. My philosophy is that every company employee must know something better than I do. I do not want a single employee who cannot do something better than me. We look for competent people. I am not a member of the board or the supervisory board. Delegating to competent people is something that you often hear in theory. But in practice, bosses cannot resist their instinct to dominate.*

*We also strongly believe in science and education, and in technology. That is what makes a difference. However, without empathy you are bound to lose. Advanced technologies require more empathy.*

## **Howard Yu**

*I have worked quite a lot with German organizations. There is a stereotypical feeling that technical requirements at German organizations are so high that people need to focus on a little silo, whereas any strategic decisions is made at the top. But these days there are new imperatives. You need to integrate and encourage people. How do you, as a leader, deal with the diversity of thoughts in your organization?*

## **Thomas Narbeshuber**

*We have a tool called Employee Voices. Every year, the employees are asked questions about management style aspects, such as engagement and inclusion. Our performance is about 20 percent better than the average in BASF. Ours is a complex organization. Employees get messages from many places, and that can result in the cacophony. They need a local person to guide them. Without such a person, they are lost.*

*As a team, we have developed resilience to projects which don't fit the purpose of our local organization. We are not a bunch of people who reject everything, but if we see something meaningless, we will argue. That has proven to be very successful. We are extremely cost-efficient. We spend just one percent of our net sales on administration.*

*I agree with Stjepan. If there is something that I know better than a local manager, in any of the countries where we are active, there is something wrong.*

*Why do our people stay on board? We are a purpose-driven organization and we have one purpose: We create chemistry for a sustainable future. When young people come for a job interview, they ask us what we do to promote sustainability. This is important to us as an organization and to me personally. We give people the freedom to innovate. We have some classic chemistry that the whole world needs. You just see it everywhere. This is a commodity business. The products are standardized and there is nothing innovative in them. But there is also a variety of innovative front-end products, such as battery materials. We also recycle such materials. We use sustainable accelerators: products that facilitate our sustainability. We achieve a fourth of our global turnover through those accelerators.*

*We run innovation hubs in our region. It is a competition that started in Serbia as a test. We had more than 100 startups involved in it this year. It helps people get in touch with innovation. It keeps them onboard and motivated to find their own solutions.*

## **Howard Yu**

*This is very important. A leader needs to consider this: Am I willing to have my profitability reduced while producing the next growth engine? In this way, you bring your purpose to life. You use it to generate new growth. And when a classic product is no longer profitable, you have to be willing to abandon it. This has to do with your legacy. At the end of your professional career, what do you want to leave behind?*

*Martina, you have interacted with a lot of organizations and their leaders. How do you spot people who have the right stuff? How do you know that somebody is not just pretending? How can you tell that you can trust somebody? In other words, how do you know that somebody is not a mercenary but a missionary?*

## **Martina Dalić**

*Everybody in this room knows that this is the hardest question for a leader. It has to do with choosing people and creating a team. I think that the answer is extremely personal. It involves two things. The first one is trust and has to do with a learning curve. Nobody can know in advance if a certain person will fit in the organization and deliver financial results, leadership, and managerial acumen. Nevertheless, there are some leading indicators. Apart from skills and competencies, one's a resume, and other formal criteria, I specifically look out for energy, devotion. I try to estimate if the person in front of me is willing to devote himself to the task. Is the applicant interested in the job because it is a source of income or a mission?*

## **Howard Yu**

*I think that what has so far been said about companies applies to nations as well. You can be a small nation and still you can be very advanced. Instead of fighting short-term battles, you can build capabilities that will enable you to win over the long run.*

## **Thomas Narbeshuber**

*Countries like Greece and Bulgaria are now very important strategically, as they have to ensure energy transportation toward Northwestern Europe. We have no other way to satisfy our energy demands. Europe imports 50 percent of its primary energy. It comes mostly from Russia and that is why we are in trouble now. We need to become more resilient and independent. The trade volume between Germany and Russia is 60 billion euros. Germany's trade volume with the US is 180 billion that with*

*China is 250 billion. But Germany's trade volume with the countries in Central and Southeastern Europe is 400 billion. This is the most important development hub for Europe.*

**Howard Yu**

*We have only one little blue planet called Earth. If you think only of our own little domain, and if we cannot solve our regional differences, the world is finished.*

*It is easy to feel depressed in a world of uncertainty. It is so easy to panic in view of the looming recession. Yet, leaders need to project energy. You need to radiate. So, how can you, as a leader, energize yourself? How can you bring your best self to the table? If you burn out, you stop listening. You have no patience for a discussion with others. You are not curious and do not care about the world. How do you avoid burning out in this world of doom and gloom? How do you maintain a source of resilience?*

**Martina Dalić**

*I run long distances.*

**Howard Yu**

*What does that physical exercise give you?*

**Martina Dalić**

*It enhances your hormones of happiness and therefore makes you feel better. It is also healthy although one can challenge the view that running 42 kilometres is good for you. It gives you an internal balance.*

**Howard Yu**

*I imagine that while you are running, looking at a starry sky or the rising sun, all personal troubles look small.*

**Martina Dalić**

*It is time that you spend with yourself. You can ponder and debate. You can clarify issues. You can do lots of things while you are running.*

**Fabris Peruško**

*I spend time in nature. Occasionally, I fast for several days. It cleans my mind.*

## **Howard Yu**

*I cannot imagine running 42 kilometres. But I know that if you exercise 20 minutes a day, it is a great way to protect yourself against Alzheimer's and other types of dementia. After we turn 40, our brain begins to shrink. Very slowly at first, but then it is like compound interest. Twenty minutes of exercise a day is the most powerful protection that you can give to your mental capacities. Any other tricks of the trade?*

## **Blaž Brodnjak**

*You have to be a bit of an idealist. You should not just stick to shareholder value anymore. When I took my job at the bank, bad news was coming from all sides. How do you keep people energized in that environment? You have to keep your authentic idealism and act consistently. My role as a leader is to remove the hurdles for my talents to thrive. However, in critical and uncertain moments I have to grab the flag and carry it forward, hoping that colleagues will follow. The largest bank of the country cannot afford the luxury of not speaking up when it sees something wrong. We need cooperation, not competition. The growth model of today's world is finished. We use an unsustainable amount of resources. Period. The solution is not to produce more energy. The solution is to find a way to get along with less energy. And this is just one of the issues. We have to stop hating each other.*

*We also have to reduce consumerism. Our bank provides consumer loans, but this needs to be put in a different perspective. Some five years ago, I decided not to buy anything that I do not really need. We have to return to the way of life of our grandparents. They did not eat raspberries from South America in January. They ate organic dried apples from the trees nearby. We need to change our lifestyles completely.*

## **Howard Yu**

*This is a lot of food for thought from this panel. We started with a discussion of future-readiness and building new capabilities, and then we talked about purpose-driven organizations. Finally, we discussed a purpose-driven life. Our distinguished panellists deserve a round of applause.*

## **Derek Abell**

*What has been striking me all the way through was what was said about education, and business schools and management education in particular. We know that the large majority of business schools are not*



*preparing for the future. You are now in one that is at least thinking ahead. But there aren't so many. The landscape of management schools does not look good. This makes me think of schools and universities in general. I have five grandchildren at high schools and universities. I see that the education that they are getting is actually the reverse of what you have been talking about. It is becoming narrower, not broader. Knowledge is mushrooming and there is a focus on narrow expertise. I have a child who is becoming an expert in chemistry already in high school. If I ask him questions about other sciences, he cannot answer. This is worrying. We have to do something different about the education of schoolchildren. Or even about kindergarten education. Educators are not thinking enough about this.*

*My second observation is that this is not just about the education of top managers. This goes all the way down the ranks, like a cascade. We need to spread holistic thinking throughout the organization.*

**Howard Yu**

*Great remarks. Thank you all for your energy. Your enthusiasm encouraged me to share as much as I could. Thank you very much. Thank you, Danica, for giving me this opportunity.*

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## IEDC “Books of the Year”

- 2022** *Howard Yu*, »What makes a company ‘Future-Ready’?«
- 2021** *New Leadership for Sustainable Future: 35<sup>th</sup> Anniversary of IEDC*
- 2020** *Ichak Adizes*, *Global Crisis as Leadership Challenge*
- 2019** *Dominique Turcq*, “Beyond AI: How Neurosciences and Biology will Change our World and how Leaders Should get Prepared for It.”
- 2018** *Daniel Susskind*, *Artificial Intelligence and its Impact on Leadership*
- 2017** *José (Joe) Santos*, *Globalisation is Dead. Long Live Globalisation!*
- 2016** *Joe Peppard*, *Digitalization as Investment in Change*
- 2015** *William A. Fischer*, *Are You a Digital or an Analogue Leader?*
- 2014** *Roger Martin*, *How Winning Strategy Works and What Is It Really? Why Strategic Planning is not Strategy?*
- 2013** *Pankaj Ghemawat*, *How Global are We?*
- 2012** *Henry Chesbrough*, *With Open Innovation to Success*
- 2011** *Creating the Future: 25<sup>th</sup> Anniversary of IEDC*
- 2010** *Stéphane Garelli*, *Business as Unusual; A Competitiveness Outlook for 2011, and Beyond*
- 2009** *Hermann Simon*, *Role Models of Leadership beyond the Crisis*
- 2008** *William A. Fischer*, *New Generation Innovation*
- 2007** *Jean-François Manzoni*, *How to Avoid the Set-Up-To-Fail Syndrome*
- 2006** *Ichak Adizes*, *What is a Leader? (a video lecture)*

- 2005** *Peter F. Drucker, Manage Yourself and Then Your Company: Set an Example*
- 2004** *Manfred Kets de Vries, The Bright and Dark Sides of Leadership*
- 2003** *Fons Trompenaars, The Challenge of Leadership - Visions, Values, Cultures*
- 2002** *Milan Kučan, Jean-Philippe Deschamps, William George, Leadership for Innovation*
- 2001** *Milan Kučan, Peter Kraljič, Peter J. Rohleder, Competitiveness of Companies in Central and Eastern Europe*
- 2000** *Paul Strebel, Focusing on Breakthrough Options*
- 1999** *John M. Stopford, Harnessing Organizational Knowledge for Strategic Innovation*
- 1998** *Pedro Nueno, Maintaining Your Personal Value*
- 1997** Lecture by **Peter F. Drucker** on the occasion of the 10<sup>th</sup> IEDC Anniversary: “*Manage Yourself and Then Your Company: Set an Example*”
- 1996** *10 years of IEDC*
- 1995** *George Taucher, How to Succeed with Strategic Alliances*
- 1994** *William A. Fischer, The New Faces of Manufacturing*
- 1993** The European Presidents’ Challenge; Beyond Restructuring
- 1992** Developing Managers for Eastern and Central Europe
- 1991** *Thomas J. Peters, The American Way of Managing – A Model for the Whole World?*
- 1990** *Arnoldo C. Hax, Redesigning of Strategic Concepts and Processes*
- 1989** *Derek F. Abell, Management in the Organization of the Future*
- 1988** *Peter Kraljič, Ways to Industrial Success*

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## About IEDC–Bled School of Management

The IEDC–Bled School of Management, founded in 1986 as the first management school of its type in Central and Eastern Europe, is one of the leading international management development institutions in Europe. This year IEDC is celebrating 36 years of its existence.

It is a place where leaders come to learn and reflect, an international centre of excellence in management development, a business meeting point, and a unique place where works of art complement a creative environment for creative leadership. Some of the world's most eminent professors and consultants teach here, and participants attend from all over the world. The total number of participants since the establishment until today stands at more than 98,000 from 100 countries.

The IEDC–Bled School of Management is an award-winning school. In 1999 it was one of the first two management schools to be awarded the IQA (International Quality Accreditation), while in 2005 it received, as the first one in CEE, international accreditation from the Association of MBAs (AMBA).

In 2011, the President of the Republic of Slovenia conferred The Golden Order for Services upon the IEDC-Bled School of Management, for its pioneering work in the field of business education in Slovenia and CEE and for its contribution to putting forward high business standards by teaching good practices and sharing new expert knowledge.

In 2012, the Executive MBA Program of IEDC–Bled School of Management was recognized by the Association of MBAs (AMBA) as one of the four most innovative MBA programs in the world, among 700 MBA programs accredited by AMBA in over 75 different countries. The IEDC–Bled School of Management won that recognition for innovation in combining the arts with leadership and management education.

The IEDC – Bled School of Management has been very active in the UN PRME (Principles for Responsible Management Education) activities and it was the first management school from the CEE region to be recognized as PRME Champion.

This year IEDC – Bled School of Management was listed among the top 100 management schools on the WURI “World’s Universities with Real Impact” ranking. IEDC was ranked 20th place in Entrepreneurial spirit, 30th place in Ethical value and 31st place in Crisis Management.

IEDC President, Prof. Danica Purg was named 2010 International Educator of the Year by the Academy of International Business for her outstanding achievements in international business education. In 2013, she became the Chair of the UN PRME Steering Committee and in 2020 she was leading the restructuring of PRME as its Acting Chair. The Global UN PRME Forum awarded Prof. Purg in New York in 2018 for her pioneering work in establishing the UN PRME initiative.

The President of the Republic of Slovenia awarded Prof. Danica Purg with the Honorary Order of Freedom for her contribution to management development in Slovenia and Central and Eastern Europe. She is also the recipient of the 2014 Lifetime Achievement Award in the field of management by the Managers’ Association of Slovenia and the “National Order of the Legion of Honour”, the highest French order of Merit, received in 2018 for her dedication and support in strengthening bilateral relations among France and Slovenia, especially in the field of management education. In 2022 Prof. Purg was awarded the Order of Rio Branco, the highest decoration of the Brazilian state for foreign nationals.

Along with its highly-ranked International Executive MBA and Doctoral programs, the IEDC offers short executive seminars for top management and a wide range of general management programs including a four-week General Management Program and an International Summer School for Young Managers - YMP. Companies and other organizations appreciate very much IEDC’s innovative, experiential learning with great impact.

IEDC has reliable partnerships with a number of well-known regional and international clients, among them: Vienna Insurance Group, Nova Ljubljanska Banka, Coca-Cola CEE, Zavarovalnica Triglav, Pivovarna Laško Union (part of the Heineken Company), Achmea the Netherlands, Austrian Post, Cosylab, Croatia Osiguranje, Erdemir Turkey (part of OYAK Mining Metallurgy Group), Erste Group Bank, Generali ACEER, Gorenje/Hisense, Krka, Lek Sandoz, Luka Koper, Medtronic EMEA, Nicelabel International, Smollan South Africa, Syspro South Africa, Tikveš Winery North Macedonia, and many others.

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**Draginja** V petek predvidoma na voljo primerjava cen izbranih živil – Vladi bi tako rada preprečila neupravičena zvišanja cen



Vlada se odloja regulacije cen hrane med ostrege za izboljšavo dostopnosti na predeležnosti. To je v nasprotju s pritrakom, saj kar 70 odstotkov evropskih držav, pa tudi v mnogih razvijenih državah, ni uvedla omejitev cen hrane. Najpogostejša utrupa se vpraša, ali je treba omejiti cene hrane, ali pa jih omesti, da bi bilo treba cenovno stabilno držati in ostro regulirati, kar je bilo tudi cilj raziskave.

SUZANA KOŠ

Za voljo se je vlada odločila štiri dni pred izpustom predvidenih cenovnih seznamov. Skupina štiri predstavniki iz različnih držav, ki so bile vključene v raziskavo, so se v petek srečale v Bruslju, da bi se pogovorile o omejitvah cen hrane. Raziskava je bila del projekta, ki ga je vodila Evropska komisija, in je bila namenjena raziskovanju možnosti, da bi se lahko v prihodnosti uvedla omejitev cen hrane.

Načrtovane omejitve cen hrane bi se lahko uporabljale za namene, kot so zagotavljanje dostopnosti hrane za ljudi s nižimi dohodki, ali pa bi se lahko uporabljale za namene, kot so zagotavljanje dostopnosti hrane za ljudi s nižimi dohodki.

Prvih sto dni je 56 odstotkov ljudi ocenilo negativno

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AKTUALNO 4

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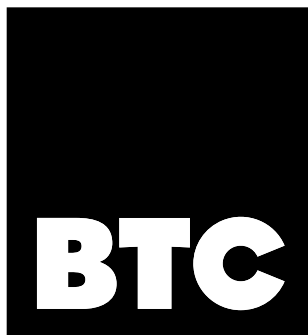


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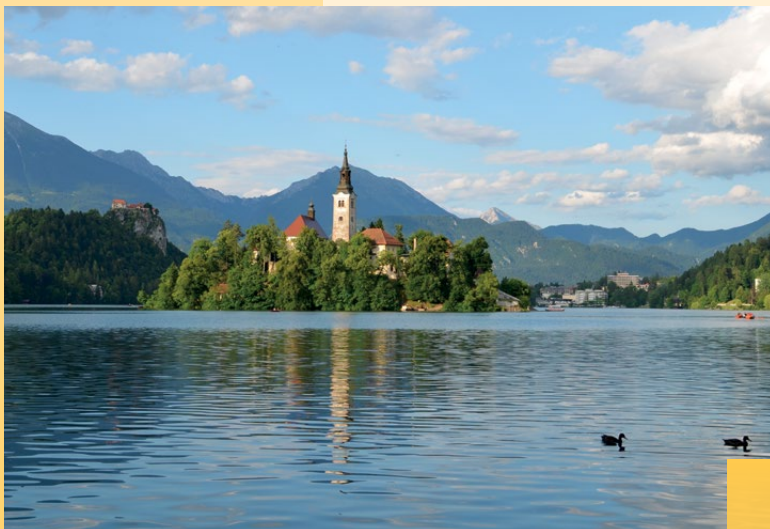


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