Technology Talent Talk:

Disruptive Technology Officers in Southeast Asia

Russell Reynolds ASSOCIATES

New technologies are driving transformation in every industry, and Southeast Asian companies must react with urgency.

In this three-part series on technology talent, Russell Reynolds Associates takes a deeper look at the executive ranks of the region's top companies to gauge commitment to this movement.

It's increasingly clear that technology is — or should be — at the heart of every modern business model. To better understand how this trend is playing out in Southeast Asia, we examined the top ten listed companies by market capitalization for Singapore, Malaysia, Indonesia, Thailand and Vietnam — the five countries that account for about three-quarters of Southeast Asia's GDP.[1]

As an indicator of corporate commitment to various technology efforts, we charted the prevalence of three types of senior technology roles as well as associated career paths:

1) **Foundational Technology Officers: Chief Information Officer (CIO) and Chief Information Security Officer (CISO)**
2) **Enabling Technology Officers: Chief Digital Officer (CDO) and Chief Technology Officer (CTO)**
3) **Disruptive Technologies Officers: Titles vary; key mandates include AI, IoT, and big data**

Here, we look specifically at the prevalence and career paths of leaders in the third category, the executives who handle disruptive technologies.

Talent Insights

Previous articles in this series established that Southeast Asian companies are making progress in implementing foundational and enabling technology, though many remain behind their global peers. This understanding is based on our analysis of the prevalence of CIOs, CISOs, CTOs and CDOs at large companies across the region as an indicator of resource commitment in these areas.

One of the most unexpected findings is that the proportion of CDOs is higher in Southeast Asia than the global average, as many companies in the region are leapfrogging past baseline IT towards digital transformation. Considering this trend, it is not surprising that a small but significant number of companies are hiring leaders to oversee disruptive technologies.

DISRUPTIVE TECHNOLOGY OFFICERS

Southeast Asia is fertile ground to a wide variety of emerging technological trends, including artificial intelligence, big data and smart cities. Leading companies in the region are recognizing the outsized impact of such technology and putting in place disruptive technology leaders. These are typically C-Suite executives whose mandate is to oversee business use cases for artificial intelligence, big data, Internet of Things, blockchain and the like. While global numbers are not available, we find that 12 percent of companies across Southeast Asia have some type of disruptive technology officer, with Singapore-based companies taking the lead at 30 percent. These officers are relatively new in their roles, with half holding the role for less than three years.

PERCENTAGE OF COMPANIES WITH DISRUPTIVE TECHNOLOGY OFFICERS

In terms of mandate, executives who oversee disruptive technologies often oversee digital transformation as well, suggesting that many companies view digital as intertwined with disruptive technology. While digital and disruptive technologies are powered by similar factors — such as voluminous data — there are distinct differences. As these emerging areas evolve, it will be productive for companies to consider whether putting into place separate leaders to lead each vertical will spur faster innovation.

TECHNOLOGY OFFICERS BY SECTOR

The most forward-thinking sectors in Southeast Asia appear to be telecommunications and financial services, with 83 percent of disruptive technology leaders situated there. Furthermore, most telecom and financial services companies have at least three foundational, enabling and disruptive technology officers, ensuring that there is a solid pipeline of technological expertise.

Looking across sectors, we find that most companies (59 percent) have at least one technological leader. Ten percent are front-runners with leaders in all or almost all technological roles. Nonetheless, there remains a large proportion of companies (41 percent) without any technologically-focused C-Suite leader.

Looking Ahead

Executives who are conversant enough with disruptive technologies to stay ahead of the curve, yet well-rounded enough to take a broad, business-minded perspective are relatively scarce. For companies to compete for top talent as demand intensifies, it will be essential to develop structured recruitment and retention strategies. In addition, it will be important to avoid letting perfection be the enemy of the good. According to venture capitalist and AI expert Lee Kai-Fu, in verticals like data or AI, companies would do well to recruit strong, but not necessarily elite, engineers to kickstart proprietary disruptive technology initiatives as they seek to compete with the likes of Google, Amazon or Baidu.[2]

All in all, our analysis indicates that Southeast Asian companies are responding to the need for technological transformation. They have committed to foundational technology to optimize operations and security by putting in place CIOs and CISOs. They remain aware of — although are currently less invested in — the need for creating value through future-facing technology overseen by CTOs and disruptive technology officers. Clearly, companies in Southeast Asia have adapted to the predominantly mobile culture in the region and are investing to keep ahead of their peers in the region and around the world.

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