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0:06

OK, so, today I'm going to talk a little bit about how technology's changed in the way we do business, changing the business environment. But I think it's always good to start with a story, and, these are my nieces up here - and the girl on the on the left I suppose as you look at it, she's Elisa, she's 10. So she called me I had a video chat with her on the train on the way down here. So I recently sent her a Kano computer - I don't know if anyone here knows what that is but it's a computer that kids can build themselves.

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And they can do very very simple programming. So she had just completed her first exercise from a programming perspective, and she all excited and you know she wanted to tell me about it. So we video chatting pulled into the station, I said thank you very much, she said good luck, and I said, you know I talk to you afterwards. So I step off and I come into Oxford and then I start thinking back to when I studied here in the late 90's, and we were in the back of the hospital. Ironic for a business school but we were in the back of a hospital. Anyway, back then the hive of mobile technology was a pager.

1:07

Now I'm pretty sure I can't see, you know the lights are black in here but I'm pretty sure most people here have not used a pager in their lifetime. So this idea that you call a call centre, you leave a message for a friend, it gets sent to the pager, they read the pager and then they call you back. That's, that's like 15 years ago. It's not that long time ago. So technology has moved on you know in the future, kind of future technology is coming with us. Who knows what this is, hands up. Wow - OK. I really am getting old.

1:35

So, so this is the console from the back to the future movie series. And if you haven't seen it, it's really good - ok. There's three movies, please watch it OK. So, in the second one, they go to the future right. It's 1989 they go all the way to 2015. OK. Which is actually from the movie alright - 2015. So where we are today. And there were some kind of cool futuristic technology in that movie which I thought we would just have a quick look at. Hover boards - OK. It never happened alright.

This is a company called a Hendo Hover board this exists, funded on Kickstarter, and the gentleman standing on the on the board behind me is a guy called Tony Hawkes and according to my nephew he's really famous. I have no idea who he is. So we, hover boards exist, they were right on that one. They also predicted we'd have video phone glasses. So we'd no longer use kind of these these things on the desk - what we talk about mobile phones, and that's never gonna happen right. So, Google glass and other companies have come out with something similar and this actually when you do watch the movie please do, this gentlemen here is one of the main characters in it. So it's a kind of fun movie - please watch it.

2:53

So the future the future technology is with us here today and that's kind of I'm take that on now and talk a little bit more about that. So, there's kind of 4 areas that I want to cover. The first is technology: how it's accelerating and changing. Two: how consumers are adopting that technology and how it's changing they interact with companies. 3: how how the the business the business models, business economics how that's changing, how companies need to adapt to that to be successful. And finally why, what you know, what you can do - why you should care. So let's dive into some of the businesses. So technology is creating a new business models. So now your mobile phone is no longer just a mobile phone or a video phone - as I found out today. It's also a a payment provider OK.

3:45

This company it's a start up 'Square' they allow you to use your mobile phone so start-up companies can can kind of use your mobile phone attachment can scan credit cards and you you know be up and running very quickly. 2: Spotify and companies like it you know, data storage has now has become so cheap, it's now practical to have all the worlds music or almost all the worlds music available to, through your mobile phone, through your tablet. But basically that has changed a whole how a whole industry monetises - their products. And, you know we've seen the high street, the HMV's, the virgin struggling now with with you know hardware like dvd's, cd's, these things just really aren't being sold anymore.

4:27

Everyone's got everything on their iPod, on their phone. So it's changed, completely changed the way that business has has been run. Third thanks to geo-location in your phones - you now can all book you know taxis, you share your location with your friends so so this has totally disrupted the taxi market and for any of you who live in London or travel to London, you know the the black cabs drivers you know they are really struggling with this now. A lot of protest and they're trying to fight technology rather than maybe adapting to it and getting um and kind of working with Uber rather than working against them.

5:01

So, technology has given us new entrepreneurs - this is a lady called Michelle Phan, I'd never heard of her before I did this presentation, I'm not good with makeup but I'm sure some people have. So, she, 7 years ago went on YouTube and put a video up of herself making herself up for going out for a night out. And, in one week she have 45,000 hits so she thought hold on a second, maybe people do wanna come and listen to me and see what I'm doing here. So she started her own channel - she now has 6.5 million subscribers to her channel, and this is her business, or her business was born on the web OK.

5:39

This was not possible before. New markets - this is the Cambridge Satchell company. This lady started this company, she was building these bags on her kitchen table to supplement the school fees of her kids. And now 8 years later - its £13 million in sales and exporting to 20 countries - you know it's a global company, and you know that just wasn't possible without the internet. So, I think we can say that that new markets had been created by technology.

6:10

So, kind of wrapping up how things affect business we talk with the sharing economy another show of hands, how many people here have used Air BnB? A lot more than have seen back to the future anyway. So, Air BnB you know this is the sharing common, this is the idea that everyone can be a landlord - right, you're not staying in your place, you go on holidays, rent out your room. Maybe pay for your holiday. Everyone can be a taxi driver - companies like Lift, you know your long drive up to Edinburgh - share your car, share the cost of that.

6:40

And, everyone can be you know a freelancer because through apps, like Task Rabbit, if you've got some skills, and I'm sure all of you do, if you got some skills, you know you can put those out to rent on the uh, um, on the internet. So these this kind of sharing economy again has totally disrupted things and unless the kind of incumbent business start thinking big, thinking thinking beyond what they are doing now - they will be there will be someone who will come along and focus on a niche like these companies and kind of eat their breakfast as they say.

7:12

So, let's talk a little bit now about the people side of things and the specifically some technology technology trends that are really driving change here. For the first one and you know we've heard in the last presentation about a mobile app which hopefully it's going to come to fruition and we'll be able all use it to help kind of with the deforestation saving the forest, I'm sure I've got that all wrong but you know - I apologise.

7:38

But, what I want to draw your attention to here is that there's more people have access to mobile phones than have access to sanitation. Right that's probably not a surprise you know its infrastructure involved in in building sanitary facilities around the world cost a lot of money, take a lot of lot of time - rather than just having a mobile phone and having cellular signal and being able to use it. But interestingly of the kind of the the 7 billion people, that by the end of this year 2 billion of us are going to have smartphones.

8:09

Now that really starts to change the game. OK, so when you when you have a smart phone, that's like a super computer in your pocket. And, you know big companies now previously where you had to be worried about your neighbour or maybe the country or the continent or you know us Europeans worrying about what's coming out of America, or maybe the developed part of Asia, now where's the next entrepreneur coming from. With a smartphone they can be coming from anywhere. And when you you advance that and you start using tablets and tablets by the way and kind of outpacing PC sales now as well, when you when you start accessing and tablet now you can get into coding.

8:45

You know so this is really kind of democratising how people access and use technology. And, and it's possibly the the one of the most disruptive trends out there at the moment this this - the use of mobile. So this little fella here I wish I I in an ideal world I'd be able to put a picture of my own son up there but I don't have kids - so I've taken a stock photo. But, the the point I am trying to make here is that the the millennials which I think most of you have probably fallen into this this category were born on the web. Most of you probably don't even remember a time when there wasn't when we didn't have access to the web.

9:23

And, and that is kind of changing how these people interact with with each other but also with how they look at their companies - OK. So, you know I've put a little stat up there and I think it's it's indicative because they 28% of the 3-4 year olds that have been interacting with tablets - they can't read, they can't write - but they can you know play games on the tablet. And, they these people are the people in 10-15 years' time who are going to be coming into these universities and on, and absolutely totally changing, like changing how we, when I get to my old age, but how we perceive business. So it's, but it's not just people who are getting digitally mature at a younger age. You know companies are also getting younger - so 60 years ago, the Standard Poor's the average age for a company in the Standard Poor's was 75 years.

10:17

These were traditional brick and mortar companies, manufacturing companies, really really slow to change. But fast forward to now, and to 2013-2015 the average age of a company in S&P 500 is 10 years. So, the, and and the companies have, the type of companies are changing as well. And this you know is a concern for all companies because the simple fact here is that like disrupt or be disrupted. In 10 years' time, probably half of the companies on this indices will be gone. OK, and which of the - them the half is will be the ones that have done something special.

10:51

Done something that's going to make you want to work there, make you want to buy their products. And, and and this is again driven totally by technology OK. Bricks and mortar silos - it's all gone. So why should they care right - you know so what? Well it turns out that the companies that adopt technology and that are considered digitally mature these are some of the results from MIT Sloan study, they are producing more profits, more revenue, and more shareholder value. So this is a 400 companies they ranked them into levels of digital maturity and the digital mature companies performed this much better than than their peers.

11:32

So it matters, it pays. It's risky but it pays. And, what does it mean then, what does digitally mature mean or what does a digital business mean? Well this is one way of summarising it - one way I would summarise it - I'm there's others, and, maybe it's controversial. It's when you take a digital band which is how companies perceive how companies are perceived by by their consumers. And you combine that with a digital culture which is how employees in those companies live and breathe the values and how they they use technology with those values.

12:08

So it's kind of like the sharing economy if you like. You combine those things together you get this right. You get a digital business. And if I was going to ask you to remember one thing from our presentation today - besides going to watch back to the future, it's this equation here - OK. Cause this this is really you can challenge me with some tenance of it, but I think companies, successful companies of the future this is what they're living.

12:32

And this, as what I do I do as a job, is try to help companies understand this. And them be more transformative. Any company company can transform. So, some of the things that these digital companies do that are different from other companies and it's not dancing in a room like this. What they do is well I'm going to pick out a couple of things. 1: They work in small teams. Now why are small teams important? Well small teams are important because small teams can experiment, they can fail, they can retest, fail again and retest until they have something without disrupting how a company works.

13:08

And when they have something they can move very very fast, and have success in the market, a bit like the entrepreneurs that I I kind of highlighted early on. The fault to open so what does the fault to open mean. This means share everything. You know were were all in using Facebook - or maybe not all, but we are suing Facebook, we're using snap chat, Instagram - we are sharing everything. We're social in our private life, and you have to be almost social in your business life as well. But, the fact is that most companies are not set up to share information OK. Most companies are set up that that data is power. Information is power. And the more senior you get, the more access to data you get.

13:52

And, and the kind of the companies that have been born on the web you know; Facebook, LinkedIn, salesforce, google, these sorts of companies - the default here is to open everything up internally. And there's there is a kind of a trust right - we'll show you everything but you don't share it outside. And, and that sort of that sort of mentality is is really hard - the hardest thing I have with, when I working with with the customers that I work with, the hardest thing I have is is this idea that share everything - you know it it will make your employees more productive. It will make them trust you more, it will make them want to work with you more. So openness, openness, key key calls here. And actually, sorry the final thing about this is and the reason why you want to be open is because ideas come from anywhere.

14:34

Last week - I'm presenting this this project I'm working on, not this, but project I am working on, and and intern called me out - this guys in the company three months, and he's calling me out on something, me, my team had been working on for about a year and a half now. And, he called out and he's like yeah - that's wrong, and you're kind of thinking really? What can this guy know? But I was like OK - talk me through you know why here, why's that niche, and the kid was right. You know three months in the company, the kid was right.

15:01

And, back if I think back to when I first started working, my first job was in a Japanese company in Osaka. And, I'm like this 21 year old Irish guy, get off to Osaka. When I got to the company - this idea of of of questioning and challenging it just didn't exist - you did not talk, it was, speak or be spoken to. You never challenged upwards. And, and then I kind of fast forward and I've got this 19-20 year old intern calling me out - but he was right, this time, I'll get him back.

15:35

So - you know kind of wrapping up a little bit now, everything comes down to people in the end right. So, so and the reason why we're all studying here or or why your studying here, or in Cambridge or wherever you've studied is to kind of get get this knowledge right. Get to improve yourself. Well the type of people I think that make the biggest difference or what what with in Eric Schmidt's book he calls smart creatives. So this is the idea that you have business acumen, some technical skills, provided with the right tools and creative environment, you will do amazing things. And I think all the companies that that you're familiar with over the last 5-10 years all the apps that you're are using over the last 5 years or so, they've all come from companies with people driven by people like this.

16:19

So, kind of getting towards the end now, the other thing I'd say is think big - alright. All, these kind of products and companies here have come out of small teams with people not thinking how I can make things a little bit better, but how I can make thing ten time times better. And it sounds ridiculous right, if you're a big established company why would you why would you want to risk everything. Well this comes back to the whole idea of small teams, cause if a small team is risking everything, it's really not risking that much right. And they're only it's only going to percolate to the top when they've really got something.

16:52

But, think big, don't think think small - don't think 10%, think 10X. And, finally, kind of summing up now - why should you care - OK. Well, the biggest risk that you have in your careers when go into companies, if you're in a company now - the biggest risk is not taking any risk at all. So - ten years ago, Nokia dominated phones - and there's that word again I shouldn't be using; Blackberry, you know the default phone for the business world - and now everyone wants their their smart phones, and and as much as Blackberry and Nokia trying to catch up - they are now single digit market share. Its apple, it android, it's Sony, its it's these phones that you want to use in your social life - you want to have those now in your business life, so there's kind of these products becoming irrelevant.

17:40

So think the biggest risk for everyone here is not taking a risk, in kind of both professional and personal life. And finally, the last thing I want to leave you with is is kind of this these three points which is digital first - OK, embrace talent - you're all very very talented, and, I am sure that talent manifest itself in different way.

18:04

But we've all got talent right - but embrace talent, work with the best people, hire the best people - challenge yourself. And finally, move at the speed of your consumer. Cause if you don't - someone else will. And it's the classic disrupt or be disrupted.

18:16

That's it - thank you.

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[END]