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WHAT WILL TOMORROW'S LEADERS LOOK LIKE?

Jeremy Darroch, Chief Executive, BSkyB

1. Introduction

Thanks David, and thank you all, for inviting me along today – it's great to be here.

When David offered me the opportunity to take part in the crucial dialogue between business and education, I jumped at the chance.

Because I know that Sky's success over the past 20 years and our continued success today is down to the talent we have in the organisation, including many who have been through the institutions represented here.

But past success is no guarantee of future performance. And I know that one of the most important tasks that I face as Chief Executive is to develop the leaders of the future for my business. The people who will, I hope, lead Sky to sustainable success long after I have left.

Some of those emerging leaders may already be in the business. Others will be in higher education or at school. So we have an interest in working with you to develop the leaders of the future wherever they may be.

I want to talk to you today about what I think the future leaders of Sky will look like.

But, more importantly, I don't think Sky is unique. I'm convinced that the people who will be successful at Sky, would also be successful elsewhere. That's the point about leadership – it transcends all walks of life – be it commercial, public service, sporting or creative.

I'd also like to talk about the potential for even greater partnership between the world of business and the world of education – the fulcrum at which the CIHE sits – and the role we can play together in the developing the leaders of the future.

2. About Sky

Let me start by telling you a bit about my company. Today Sky has a direct relationship with more than one in three families in the UK and Ireland. We aim to provide them with the best entertainment and communications experience anywhere. But just 20 years ago, our business was a small start up, with a few thousand customers, an unproven product and a few hundred staff.

Back then we weren't exactly a magnet for industry talent. The location wasn't very glamorous - a few portacabins on muddy building site in West London. No one quite knew how they were going to succeed, and for a while it looked dangerously like they might not as losses mounted and the chorus of sceptics grew louder.

But that adversity is what brought the team together. It cemented their belief in challenging the status quo, that British TV viewers deserved more choice and better quality. A belief, in short, that things can be improved. And that belief and that restlessness still define our culture today. It's been integral to the journey that we've been on over the past 20 years. And will, I'm sure, be equally central to our future.

An appetite for change is crucial because we operate in a fast moving and highly competitive marketplace. That means we have had to get used to the idea of continuous change in our business. For the first 15 years of our life, Sky was essentially a single product company selling TV. And while that remains a big part of what we do, today we now offer our customers much more besides. It's not just a single TV service, but Sky+ and high definition as well. And it's not even just TV. We're now the fastest growing supplier of broadband and home phone services in the country. And only last week we dipped our toes into the new waters of digital music with the launch of Sky Songs, a British version of iTunes. Those changes and the added complexity they've brought to our business have had a profound impact on the sort of leaders we need. A subject I'll return to in a moment.

The incentive for us to keep moving forwards is very strong. Each of our 9.5 million customers is only a phone call away from cancelling their subscription. And most of our programmes are secured through contracts that come up for renewal every few years. Believe me, that helps focus the mind. There are no guarantees and there's no room for complacency. We have no pre-ordained right to succeed. If we don't stay relevant and keep improving, we will not sustain success.

In an environment characterised by so much uncertainty, success will never be defined by single point outcomes or solutions. I can't tell you what Sky will look like in ten years time – what products we'll be offering, what markets we'll be operating in. But I do know what we need to do to stay successful. Increasingly, we need to navigate shifting plates and spot emerging trends. We must be able to adapt quickly, to change direction, to seize the opportunity. And that doesn't depend on the assets you own. It depends on the capability of your organisation – your people.

Fundamentally, I see Sky as a business of people and ideas – not a technology company or a broadcaster. Technology may become obsolete, programmes may go out of fashion. If they do, I'm confident we'll adapt and renew. But if we don't have the right people and the right leaders in the business, we will fail. They are the only sustainable source of success in this changing world.

3. Common themes

As I said a moment ago, the challenges facing Sky are not unique. I'm sure other businesses represented here today face similar issues. When you look across sectors and national boundaries, there are some common themes which affect the business world as a whole.

The pace of change and levels of competition are shaking the very foundations on which many businesses have been built. Technology is taking product cycles of years and turning them into months. Incumbents are threatened by innovative newcomers who want to knock them off their perch. And the unlocking of global trade has brought a raft of challenges – as well as opportunities. At the same time, consumers have more choice and are better informed than ever before. They are connected, savvy and, quite rightly, fickle. They no longer need to plump for the same old household name if someone else can do better.

In this fast changing world, business strategy and behaviour have both had to change to meet these challenges. For any organisation, sustainable success depends more than ever on being able to balance a long term vision and investment horizon, with the flexibility to adapt – rapidly at times – to changing circumstances and new opportunities. That long term time horizon is vitally important. Sure, focusing on quarterly or annual performance targets is key to ensuring you stay on track. But long term goals, coupled with a commitment to play your part in a healthy society, are what build sustainable value for business.

All this has meant that traditional leadership models are becoming outdated. The future leadership of my business is something I spend a lot of time thinking about. And I suspect that's equally true of the leaders of other organisations. In fact, if it's not top of your agenda as a Chief Executive, I hope it won't seem out of place for me to say that I think you should probably be re-examining your priorities.

4. The leaders of the future

In considering what the new kind of leader looks like, the first thing we must recognise is that the relationship between employer and employee has inevitably shifted in this new world. In the workplace, organisational flexibility, agility and efficiency are the order of the day. Hierarchies have crumbled and flattened. Work processes, aided by

technology, have sped up. Gone are the days when a select few made all the decisions in a business. Leaders are everywhere in my business, and we benefit from it.

Those leaders will as frequently find themselves working across the organisation, collaborating with colleagues from several different business areas, as working within their vertical line. And we mustn't forget that the make-up of the workforce itself has changed, becoming ever more diverse in terms of gender and ethnicity. This is to be welcomed. It enriches the skills at our disposal and mirrors the diversity of our customers. And so it should be reflected in the leadership of any organisation as well.

This has all demanded a new kind of leader. It's no longer about 'I tell and you do'. Persuasion and influence, once the skill set of the few, now must become the mainstay of the many. The best leaders no longer see themselves at the top of the pyramid, but instead at the centre of a circle, where their job is to guide, challenge and support. To be part of the process, not to sit above it.

For the new leaders, specific academic or technical knowledge is increasingly just a part of the overall picture. They are by no means unimportant. But they are not enough on their own.

For those skills to be effective in a business context, they need to be applied successfully in an environment of co-working and collaboration. Any successful business is always a shared enterprise whose people are acting productively together towards common goals. I would emphasise the word 'productively' here. Because the nature of businesses is that they are judged continuously by results. And results are measured in terms of outputs: what is created and what is achieved.

The consequence of all this has been a shift in the way business thinks about attracting and developing talent.

So when we look for future leaders at Sky, for example, we're looking for rounded individuals with a broader skill set.

- Top of our list is the ability and, indeed, the desire to collaborate; to be a team player. That, in my view, is the first step on the ladder of leadership.
- Beyond that, we're looking at an individual's ability to set a clear direction, make things happen and, importantly, the ability to turn activity into results.
- He or she must have a desire to support and coach others so they can give their best and develop their own potential.
- We want to see an understanding that perpetual improvement within the organisation is the basis for future success.
- And in a world where change has become the new status quo:
 - We're looking for flexibility and adaptability. Leaders who embrace change rather than resist it.
 - And an appetite for risk-taking, along with an ability to deal with and learn from mistakes.
- Finally, with any future leader, we need to see that they have a clear set of values and a moral compass - will they choose to do the right thing, even under pressure?

The totality of these attributes requires individuals who have strong self-awareness, a hunger for improvement, and a recognition that they must take responsibility for their own development.

And, if you're lucky enough to have people like this in your organisation, then I believe they can do pretty much anything. In my experience, if you put a good person into a new situation, they'll figure it out.

5. The reality of today

Now, how does that ideal compare to the reality of the people joining our business today, or the people currently in the education system? Do we already have the future leaders we need among us? Fundamentally I'm an optimist. When I look around, I see a lot of great people with huge potential. I'm not one of those prophets of doom who stands on the outside and decries the British education system and the quality of people it turns out.

So let me make it clear that I'm not here to throw rocks. For one thing, to blame the education system is to miss the point. We don't expect to recruit the finished article straight from school or university.

Business and education both have a role in nurturing our future leaders. However, I do believe we can – and frankly we must – do better. And I use “we” here very deliberately. At Sky, we recruited 82 graduates on our formal schemes this year in a wide variety of roles from technologists to marketers and from journalists to accountants. They come from a diverse range of different institutions and degree courses. We currently have links with over 30 universities and colleges, including Thames Valley University and Ravensbourne College. We hold events for tutors where we discuss what we look for from graduates. And career clinics, skills workshops and online recruitment advice for students themselves. These partnerships help us to build our employer brand and attract talent into the business.

With such wide variety, it's hard to generalise. But a number of key themes do emerge.

First of all – and most importantly – I’m always struck by the ambition and enthusiasm of those young people. Competition for places on our graduate schemes is fierce, and the people who join us have a real hunger and excitement about making their mark at Sky. Their technical and academic knowledge is often outstanding. In areas where specialist skills and training are required, we have some of the brightest minds in the country.

That is important. But there are also challenges.

I’m often struck by how poorly equipped many young people are in respect of broader life skills. So we have people joining us, who’ve never really had an opportunity – or a requirement – to work collaboratively in teams. At least off the sports pitch. After all, so much of academic life is about individual attainment. And that is the opposite of my experience in business, where results are rarely if ever achieved by individuals. In a shared enterprise, it’s all about team work.

We also see that some people find it hard to adjust to life in the workplace. It’s as much about attitude as skills. There’s a personal responsibility that goes with working – responsibility to your colleagues, the company you work for and yourself. Many people are simply unfamiliar with business and have unrealistic expectations. For some of them, there can be a rude awakening.

I fear that these issues are compounded by our education system, with its reliance on exams and focus on individual success. This is in danger of promoting individualism and self-interest over true teamwork, prioritising academic and technical abilities at the expense of other life skills. The lack of balance in this approach is an obstacle to the development of rounded individuals and risks leaving our young people ill-prepared for their future.

I know that this observation won't come as a revelation to you. This is a tough challenge that the education sector has been grappling with for some time. And I don't wish to be too negative. There are many good examples, both here in the UK and overseas. One that caught my eye recently is at Champlain College in Vermont, where they've given their approach the name 'education in three dimensions'.

As well as equipping students with solid professional skills, the goal is to give them a broad foundation that will serve them well throughout their career. So, in addition to their business-related major, every student takes a multi-subject syllabus in the liberal arts to encourage critical thinking and life-long learning. The third dimension focuses on practical life skills such as financial literacy and develops a sense of individual responsibility through community engagement. It's early days, but Champlain are seeing positive results. For me, it's a glimpse of what a more rounded approach to education can look like.

6. Business is a learning and teaching institution

Of course, Champlain are most definitely right about the importance of lifelong learning. Education doesn't stop when you start work, so we in industry have a responsibility too. Peter Drucker often said that every enterprise must become a learning and teaching institution. He was right then and, in today's fast changing world, his words ring truer now than ever. All businesses need to commit to nurturing, developing and training talent. By the same token, all of us as individuals need to take responsibility for regularly replenishing our skills to keep moving forward.

To give some examples of what that means at Sky, every individual has their own development plan and access to a wide range of learning resources. We also have a range of structured programmes for people at all levels of the business. They range from modern apprenticeship schemes in our customer contact centres and field installation teams to a dedicated programme for our next generation of leaders.

Our future leaders programme is something in which I take a huge personal interest. I greatly value the time that I spend with the group talking about the challenges facing our business and the leadership qualities we need to succeed. We also work with business schools like Ashridge and LBS to expose our future leaders to the latest academic thinking and best practice. We value the benefits that links with the education sector can bring to business. Too often those two worlds seem very distant, which is why organisations like the CIHE and conferences like this are so important.

Before I joined Sky I was Finance Director of DSG, the electrical retailer. DSG sponsored an academy school in Bradford, and I sat on the Board of governors. It gave me a fascinating insight into your sector, but also into the potential that can be unlocked when education and business work together. We need to find more ways to encourage cross-over: more business involvement in education; and more educational involvement in business.

I'd like to close by talking about an example of how we have tried to use our strengths as a business to support young people in education. While this particular programme does not relate directly to higher education, I think it helps to show how partnerships with business can help to address issues around life skills, an area in which the conventional curriculum sometimes struggles to get results.

Sky Sports Living for Sport is a national programme which uses the power of sport and of our brand to help children overcome a wide range of problems at school. We run the programme in conjunction with the Youth Sport Trust and it is now available to every secondary school in the country. So far Living for Sport has reached more than 20,000 young people. It combines sporting activities with access to professional athlete mentors as role models to build self-esteem, confidence, team working and other crucial foundations for personal growth.

Its success is, for me, proof that there is a gap in the educational tool kit, one which teachers are keen to address and which businesses can help to fill. The reason it works is because it harnesses the uniqueness of our business and the strength of our brand to bridge that gap.

I am in no doubt that there's so much more that we, and business in general, can do in partnership with education. If you're looking for support, advice or engagement, you'll find that you're pushing at an open door.

7. Conclusion

To conclude, in my view tomorrow's generation of leaders will not be defined merely by technical skills or professional qualifications. In a fast-changing world, the shelf life of those skills has already shortened and will only shorten further in the future. To be successful, tomorrow's leaders will need to be far more rounded individuals than ever before:

- They will collaborate in pursuit of shared goals
- They will guide, challenge and support, not dictate from above
- They will have an appetite for change and a hunger for continuous improvement, and
- They will have an ethos of learning and development, for themselves and the people they lead, that will stay with them throughout their career.

By working together, education and business can give our young people the lifelong skills and values they need for a successful and fulfilling career. And we can help to create a sustainable future for UK business and the wider economy in a changing and competitive world.

Thank you.