

Build, buy, borrow: What is the right talent strategy for your company?

Grace Abella-Zata | May 22, 2018

Leaders across the world seek to answer the question: What are the types of Talents required to thrive in the Innovation age? What criteria can we use to choose a Buy, Build or Borrow strategy to acquire innovative talent? What is “innovative talent” to begin with?

The global network of the IRC Institute has allowed it to appreciate that innovation takes place in different contexts. Innovation does not necessarily involve creating new inventions. It can mean the creative adaptation of existing technologies to suit the needs of the local market. Jack Ma’s Alibaba, for instance, understood the cultural trust issues that a company like eBay would encounter in China and thus built a different business model which allowed a 5-day holding period between buyer and seller.

In emerging economies, one can wisely pick the low hanging fruit by adapting existing technologies or business models. One may not necessarily need gifted scientists or engineers like Kinam Kim, a well-known scientist famed for his contributions to semiconductor memory technology and who now leads Samsung Electronics. Instead, the leadership or entrepreneurial skills required may be the ability to streamline a company’s current technological capabilities or build a vision around the new technologies or large data that one may already possess, and then to establish an operating model suited to the needs of the local population.

One of the most significant Philippine conglomerates, JG Summit Holdings, Inc. has entered into a joint venture with Greater China-based Oriente to address the financial exclusion problem of underbanked consumers and MSMEs in the Philippines through a

digital financial services marketplace. Using the Build, Buy and Borrow talent management strategies, the Joint Venture leverages on technology and data science to enable online peer-to-peer lending and wealth management at attractive interest rates.

Apart from leveraging new technologies and big data, there are of course other opportunities in emerging economies brought on by higher economic growth rates and large populations. The dynamics between global offices and local markets were highlighted in recent IRC leadership events in Singapore, Amsterdam and Miami. Local executives point to the need for sensitivity to the unique needs of the local market and the agility to respond to market challenges from more nimble players. An expat or a local executive assigned to head a local market must have the influencing skills to manage the dynamics of the bureaucracy in multinationals to allow for innovation and agility in local markets. Many companies are also localising executive talent. There may be trust issues, and one-way companies are addressing this is to assign locals to smaller markets to reduce the risks.

For many companies, innovation today involves the adoption of a digitalisation strategy that may either be disruptive or add value to the customer experience or improve productivity and efficiency. There is a choice of hiring from a pure-play digital company to acquire the technical competence. However, mere technical competence alone is not a guarantee of success in the role. A deep-rooted understanding the business, the commercial skills and leadership to rally people around a new business model or systems or processes that they may not understand and even be sceptical about are crucial. Technical talent from born-digital companies, while strong in learning agility may have a too narrow focus and are often stereotyped as “caustic, disinterested in leading people and self-interested.” Petronas of Malaysia hired its former CFO who has had a long history in the company, including involvement in Strategic Planning. This is an illustration of a situation where internal hiring may be preferred: when familiarity with the business, commercial skills and leveraging on relationships is critical to success in the role.



This is not however to de-emphasise the importance of technological literacy among C-suite executives. A survey among IRC Partners in 25 countries has shown that up 90% of clients consider “important” or “very important” the ability to understand and participate, and even drive discussions related to the use of the new technologies (highest percentages applied to Marketing, Supply Chain, and Operations executives). Another 87% said, clients considered the ability to work with data analytics as “important” or “very important” (Finance, Marketing and Supply Chain at the top).

Clearly, there are many considerations that go into a talent management strategy to support innovation. From our experience and from the literature on topic however, these are relevant leadership qualities required, depending on the context of innovation: Technical and scientific know-how in various degrees, a curious attitude that is able to spot opportunities and successfully bring to market products or services, agility in responding to threats and opportunities, the ability to streamline a company’s existing technological capabilities and to build a vision around new technologies and big data, forge strategic partnerships and put together an operating model, the leadership to create and enhance a culture that supports an environment where people are encouraged to contribute ideas and work well together to solve problems, and the ability to bring in fresh perspectives and a global, multicultural mindset. When the required leadership talent is available internally, and familiarity with the business and the people are crucial, a “Build” strategy may be preferred. But if some other experience or competency is

required that is not available internally, and the company will benefit from the creative perspective of an outsider, a "Buy" strategy may be the better option.

What is interesting is that a "Borrow" strategy is also being employed, not only through consultants but with academics and students through Innovation Labs.

Clearly, innovation is happening not only in products and processes but also in talent management strategies.



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Grace's professional expertise is in job / person-organisation fit and human resource planning and acquisition. She is currently the CEO of the IRCI Global Executive Board. She has always been interested in research and groundbreaking perspectives in leadership and management, and as President of Corporate Executive Search, a pioneer in the Philippines, she has had access to practical knowledge and the evolving insights about executive talent management. Coming from a culture where East easily meets West, she relishes the opportunity to study and shape leadership thought, together with colleagues from more than 40 countries in the IRC Global Executive Search network. She continues to be an active member of the community of human resources management professionals in her home country, where she is a past President of the People Management Association of the Philippines.

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