

When it comes to reviewing corporate strategy, many companies subscribe to the “if it ain’t broke, don’t fix it” school of thought. However, in this interview, Ascendas CEO Ms. Chong Siak Ching explains why they felt it was imperative to take a “clean-slate” look at their strategy even though the company was the clear leader in their business sandbox.

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Ms. Chong Siak Ching

President & CEO | ASCENDAS PTE. LTD.

Asia’s business space leader Ascendas was founded in 2001 with 1 billion Singapore dollars in assets, based on a perception by its founders of unrealized potential in what they considered a lackluster market segment—industrial buildings.

The assumption was that by adding attractive lifestyle elements such as green space and fitness facilities to business properties, Ascendas could transform dull industrial and office parks into environments that would help companies in IT and other progressive industries attract and stimulate top talent. It turned out they were right, and by 2005 they had hit all of their financial targets, reaching \$5 billion in assets by building a series of innovative business/technology parks packaging work, leisure and other types of space into what they call a “work, live, play” concept. Ascendas had become the clear leader in this transformed market, and growth continued. Yet management decided it was ready for a time-out to completely assess their strategy, using DPI’s Strategic Thinking Process.

“There was no fire under our feet,” says Chong Siak Ching, “but we didn’t want to wait for that to happen before we reviewed and re-examined our strategy. We had stayed ahead of our competitors, but we wanted to make sure we would continue to widen the gap.”

Ms. Chong is President and CEO of Ascendas Pte. Ltd., a Singapore-based provider of business space, real estate funds and investment services with



Ascendas Strategy Team. CEO Chong Siak Ching, front row, fourth from left.

properties in Singapore, India, China, seven other countries and more than 30 cities across Asia. On the tenth anniversary of its founding, Ascendas currently has 11 billion Singapore dollars of assets under management, serving more than 2,000 corporate customers with about 50 million square feet of space. Among its flagship properties are Singapore Science Park, and International Tech Park in Bangalore, India among many others.

“When we first started, industrial space was not a very attractive sector,

not very glamorous, not like hotels or residential developments,” says Ms. Chong. “Manufacturing space—factories, warehouses—were not the most colorful space. So, as such, back then there were not many players in our industry, our sandbox. But over time, due in part to the efforts we had put into making industrial workspace more attractive and enticing, manufacturing space had become a lot more interesting. We focused on a ‘total environment,’ not just the workspace—four walls and a roof.”

The concept clicked with companies such as IT and software firms that wanted to provide stimulating surroundings to their people, and rapid growth followed. But the success of what Ascendas came to call its “work, play, live” concept had awakened the competition who were making significant gains by following the Ascendas formula. And so, while Ascendas had become quite successful, the time came to reassess and develop ways to take its concept further, putting even more room between the company and its competitors.

“We had done very well,” says Ms. Chong, “but at the same time the competitive landscape had changed. There were many more competitors coming into our sandbox and they were emulating what we were doing. We needed to examine the fundamentals of the business, review our strategy and develop a *new* strategy that would propel us into the *future*. So we brought in someone from the outside—Andrew Sng’s team from DPI—for the first time. And we were prepared to start with a clean slate.

“We had done strategy reviews internally with our own very good strategy people. But for this round, we wanted someone who could bring in views from the outside, and also, more importantly, someone who offered a structured and comprehensive approach that would enable us to do *our own* strategic thinking. The DPI facilitators, in addition to bringing a rigorous process, also could make sure we did the process right, and to check our thinking. And bringing an objective view, I think that is very important. One can get very comfortable in what you know, especially if you are successful, and the DPI people were able to alert us to our blind spots.”

What most appealed to the Ascendas team was the fact that the DPI approach differs from the “content consulting” method, in which consultants examine a company and dictate the strategy. In contrast, DPI’s *process* concept would

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enable the Ascendas managers to develop their *own* strategy through a structured critical thinking process.

“The DPI process requires the organization and all of its key managers to quite extensively draw on their collective knowledge and expertise to formulate answers to the challenging questions framed by DPI,” Ms. Chong says.

In 2006, in the first of two DPI Strategic Thinking Process sessions Ascendas assembled a multi-functional team of managers from its headquarters as well as the various country units. Working their way through the process under the direction of the DPI facilitator, the teams systematically examined every aspect of the company’s products, markets, customers, capabilities and business landscape to gain a common understanding of the company and the roots of its business. This grasp of its *current* strategic profile would form the basis of a *future* business concept based on the way they believed their future business landscape would look.

“This process ultimately helped us to view Ascendas holistically, get clarity on our Driving Force and identify the Areas of Excellence we needed to nurture to support it,” says Ms. Chong. “We had to identify offensive and defensive strategic objectives, and develop a book of Critical Issues we would need to complete and implement to attain our objectives. And these are things we had not done in our previous strategic planning.”

A crucial part of the Strategic Thinking Process is the selection of the

Driving Force. The choice for Ascendas at first was not clear.

“There was quite a lot of debate around our Driving Force,” Ms. Chong recalls. “Were we driven by the *product*, the *customer* or the *market* we were in? We have always focused on the product, but have also always been very focused on the customer. We, in fact, pride ourselves on our high quality customer service, and have been very highly rated by our customers, which range from many global *Fortune 500* firms and MNCs, to more local corporations. But ultimately we realized that the key to serving our customers well, and the root of our competitive advantage, is through delivering a superior *product*. So after a lot of discussion, we settled on *Product* as our Driving Force.”

The DPI process helped the Ascendas team to see clearly that they had always been *Product-Driven*, right from the company’s beginning. But how that focus had driven its decisions about products, customers, markets, investments and resource allocations had never been articulated or fully understood. What took place as a result of the DPI process was not a radical shift in direction, but the acceleration and refocusing of the groundbreaking vector they were already on.

“We realized that our mission, when we started the company, was to create total business environments. We were already clear that the driver was that we are not just a real estate developer. We are in the business of creating a unique differentiated product, an

environment for the employees of our customers, not just the space. So we believe that the uniqueness of the *Product* we are creating is our differentiator and is key to helping our customers attract and retain the top workers, and inspire them to excel,” says Ms. Chong.

This realization enabled Ascendas management to begin to envision the next levels of product innovation. A renewed focus on product development and deeper understanding of the future business space needs of its customers would enable them to continue to change the rules in a segment that had become crowded with competitors who were emulating their approach. This would lead to more complex projects that incorporated more diverse environments and a broader range of amenities.

“I think that it is key, particularly in today’s very highly competitive environment, to keep changing the game,” says Ms. Chong. “Companies who are not clear about how they compete, companies who are not differentiated enough in their products and services

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will find it harder and harder to be sustainable and to be profitable. I think we need to be able to redefine the industry and the way the competitors engage each other. And sometimes that entails changing the path or direction that has been working very well for the organization.

“It requires some risk-taking. And it certainly requires courage to change course, particularly from a concept which is comfortable, and which many of the other players in the industry are taking. But when the

management team has come together, and thoroughly examined what is needed to create differentiation, and what we need to do to be way ahead of the competition, and to do something which the rest of the competitors or the industry itself had not done, that is how we enable the company to achieve supremacy. And we found it was easier to do so based on the DPI methodology because *the leadership itself* had crafted the new strategy, the new business concept. It is not a case of the CEO telling the team that this is what we need to do but it is the *team itself* that says this is what we *must* do. And they understand why because they were the ones who conceived it by working through this entire process, and providing the inputs and coming to these conclusions.

“So we had decisions from the DPI process in place which led to a list of Critical Issues that would need to be developed to make these new directions a reality, initiatives that were identified and owned by specific people within the organization who then had to come up with plans to address them with specific goals and milestones.”

These efforts pushed the company forward in terms of new concepts, capabilities and financial performance. But the biggest change came a couple of years later in a revisiting of the Strategic Thinking Process.

“By 2009 we had made a lot of progress since our first DPI session, but then in this next session came the realization that we could keep our Driving Force—Product—but still take the concept even further. We wanted to create *integrated communities* anchored by business space. And this change was critical for us because it opened up a slew of new opportunities for us to offer our customers a lot of differentiated solutions, not just workspace but ultimately green spaces, living space, other commercial space, hotels, retail and cultural facilities, and many other amenities.



Changi Business Park, Singapore

The Ascendas teams hammered out a new Business Concept that would in many ways revolutionize the business space world in Asia:

*Ascendas' strategy is to provide **total integrated solutions** to our customers that extend beyond business space.*

1. Integrated communities:
*We will create and manage **distinctive spaces** that inspire innovation and excellence in our customers and users within a **secure and sustainable Ascendas integrated community**, comprising **mixed-use developments** anchored by business space.*

2. Integrated Customer Solutions: *We will create **integrated solutions** as a **business partner** to help our customers grow their business and **succeed in our space.***

Says Ms. Chong, “We decided that in line with this new Business Concept, we would have to *re-brand* the company. So we rolled out a new brand strategy anchored by the theme ‘Space to Be...Free. Inspired. Energized.’”

“This new concept also energized our people. It allowed them to create an even more differentiated environment, a complete customer solution. On top of that, it required us to identify the new Areas of Excellence we’d need to develop to successfully roll out this new Business Concept which was now crystal clear. So we would have to focus on even deeper customer understanding. Also, we would have to develop our abilities to *conceptualize* the work product, to *conceptualize* what our customers need. And we had to build partnerships across different areas. Because in building this integrated community we didn’t have all

of the competencies or capabilities necessary for such a complex product. So, in some cases, we needed to partner with people who had these capabilities,” Ms. Chong states. “And we needed to focus on recruiting, training and developing people, and being sure they had the skill sets to make those dreams into reality.”

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Of course, implementation of such a far-reaching strategic evolution would require rigorous management of Critical Issues and an innate sense of mission among managers to assure steady and unified implementation. And the company found that the Strategic Filter resulting from the process enabled managers to make decisions on a daily basis that consistently support the company’s Driving Force.

“I think the involvement of the whole senior management team extending a couple of layers down into the organization is essential,” says Ms. Chong. “We developed a future understanding of the business and the competitive landscape. And also because we run an international organization, it is critical that the HQ and organizations in other countries are better aligned with a consistent definition of the strategic direction. So they were all part of the development of the strategy, and they *own* it. And this makes it much easier to keep everyone on track across the business sectors and countries.

“I believe that the discipline with which we conducted the whole Strategic Thinking Process resulted

in *clarity* of the business concept. And when the business strategy is clear, then everything else falls into line. The DPI Strategic Thinking Process assures that the business concept, the people, capabilities, goals, and targets are all in alignment. It is *critical* that we have that.”

The realization of the integrated community concept is embodied in a number of ambitious projects such as the new Dalian Ascendas IT Park in China, part of the Dalian Software Industry belt, which is currently under construction. When completed in five to eight years, the park will encompass 600,000 square meters and accommodate more than 30,000 IT professionals. The business facilities will be integrated with dining, post offices, banks, retail outlets, fitness clubs, and extensive green space, all designed to attract and inspire top IT professionals. Several similar projects are underway or are planned for the future. Ascendas communities have won many awards for architectural excellence and environmental responsibility, and successfully attract blue chip customers, partners and investors.

“In the future we will continue to differentiate ourselves from the rest of the competitors by developing these integrated communities that help our customers excel,” says Ms. Chong. “I believe that we will be well-aligned and achieving our five- and ten-year targets. And I am quite sure we will be using the DPI process for our Strategic Thinking.” 