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Rita Estévez

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“A leader must have a more collaborative and inclusive style than ever”



Rita Estévez | CEO and Chairwoman of Experian Spain and Portugal

Today we speak to Rita Estévez Luaña, CEO and Chairwoman of Experian for Spain and Portugal. Graduate in Law and Business Studies from Comillas Pontifical University and holder of a master's degree in Senior Business Management from IESE Business School, Rita Estévez has held positions such as Chief Operating Officer (COO) and Head of Strategy for Europe & Asia at Deutsche Bank PWC and Country Head at GE Financial Services (GE & Genworth), among others. In this interview she shares her views on which companies will be the industry leaders following the pandemic: those that know how to exploit data and optimise the new digital channels, ensuring security for all players.

Rita, in the last 25 years you have held positions of responsibility. What would you say are your qualities as a leader? What attributes should a leader have in the current environment?

It's difficult to define yourself, but I think that my style of leadership is commitment to doing work well. I also have a passion for tackling challenges that could lead the company to grow profitably and exponentially. Also, I really enjoy teamwork; I think that my style is extremely collaborative and inclusive, I like to attract talent and mobilise my team to achieve a purpose and common strategy, and I place huge value on positive, clear and honest communication. Lastly, I think that I lead by example.

As leaders, we must all adapt to this new environment shaped by digitalisation and new technology. A CEO's

role is expected to evolve, basically according to a series of parameters. On the one hand, we have to manage uncertainty. Previously, the CEO had absolute knowledge, had been in the industry for years and had seen and done it all. Now, with innovation and technological change, this is not so common and leaders must know how to create and surround themselves with a strong team on which they can rely, with a more collaborative and inclusive style than ever, if possible.

In addition, leaders should be more digital and understand the impact that technology can have on their business model. Therefore, they have to be much more agile and flexible, and work in organisational environments that are more horizontal and less hierarchical.

"Digitalisation will determine organisations' survival, productivity and competitiveness"

Also, leaders are expected to be more and more human and to worry more about the company's social responsibility and its role with respect to environmental sustainability.

Lastly, leaders must know how to set a common goal and company vision and be aware of how this can improve society and the economy in general.

You have extensive experience at various national and international companies. Do you feel that Spanish companies, in comparison with other world powers, are leading the race towards digitalisation or that we have a long way to go to break away from the pack?

I think that in recent years Spain has made a reasonable investment in the digitalisation industry. In fact, before the terrible pandemic that we have been experiencing, we were involved in a truly unique time of disruption and technological change. COVID-19 has effectively acted as a huge catalyst and accelerant for this digitalisation. It is estimated that in the last three months this transformation race has made the equivalent of three to five years of progress. In our case, in terms of interest in our digital services, especially in data and information solutions, demand has increased by around 50%.

So digitalisation is no longer an option, but a necessity. It will determine organisations' survival, productivity and competitiveness.

Based on my years of experience and my position at a multinational enterprise, I feel that Spain is approaching the average level of performance of other countries, if we consider Tier 1 and Tier 2 companies. If we include smaller companies and SMEs, then we are further away from the average and have a considerable way to go.

However, in any case Spain does not hold the leading positions in the ranking of company digitalisation. Specifically, I feel that there are two fields in which we need to improve. One is digital talent: I really think that there is a shortfall of digital skills and profiles in the country; there are good professionals, among the best, but there are few. Surprisingly, Spain is a country that is

generating high demand for specialised ICT positions. However, the rate of incorporation of these profiles at companies is much slower, with a ratio of six to one. So I think that this is something that we have to work on.

The other area for improvement is how to align the technology strategy to the company's strategy and its needs and, especially, how to align the rate of incorporation of new technology to the company's decision-making environment. I feel that we are slower than other countries that have a cross-company end-to-end digital structure which, moreover, comes directly from the CEO. Apart from this, in other countries there is a much more collaborative innovation environment with a structure that is more open to third parties, which ultimately speeds up companies' learning curves and, consequently, the digitalisation process.

You have worked as an associate professor in Strategic Company Management. Are the new generations well prepared in terms of technological skills? Do you feel that there is appropriate soft skills training?

I love to teach and share my knowledge, particularly because I also learn from the new generations, trends, what the future holds and the leaders of tomorrow. I feel that these young people are becoming aware that having digital skills in any business sector or profession will directly influence a person's employability. It's a bit like how English became necessary in the past.

However, as I said, I think that there is a shortfall of digital talent. This requires private initiatives and public agencies to make an effort to revise the educational model and include knowledge of digital skills and content, in a cross-cutting way, in all educational programmes, university degrees and studies. I feel that this will, without doubt, strengthen the Spanish economy in general and the position of Spanish companies. It is even estimated that more than one-and-a-half million jobs will be created in the area of digitalisation in the medium term. Therefore, I think that it should be a priority for us all.

You studied a Senior Business Management programme at IESE in 2016/17. Have new,

alternative tools emerged to enable the new generations to make the leap in qualifications that would help them reach executive positions?

Yes, I think that at all levels of the organisation, and obviously at senior executive level, we must learn continuously. The world is ever-changing and technologies change by the minute. We must make an effort and be humble enough to recognise that we have to continuously learn and train. Obviously, in Spain we have extremely prestigious business schools. We have the IESE, IE and ESADE business schools, with whom I have cooperated on various training programmes.

But there are also alternative and supplementary methods to continue learning, even within companies themselves. I champion "learning by doing". And how do we learn in a business environment? Well, for example, with the inclusion of talent, because people with new abilities make you think and show you new ways of tackling challenges with more innovative skills.

We also learn through everything related to change management and agile methodologies. We learn a great deal from launches of minimally viable products which subsequently are improved upon through user feedback.

Lastly, in an innovative environment we learn through everything related to trial and error. That is to say, we allow an error, a controlled error, but one which motivates teams to be more creative and, therefore, more innovative.

Within your area of expertise covering risk management, technology, data and solutions for the digital transformation, do you consider that the gender gap is being closed, or that this process needs to be sped up? And in leadership positions?

There is undoubtedly a historical gap in the area of technology and innovation, that much is clear. With regard to executive and management positions, I think that a lot of progress is being made and there is more awareness, but there is still a gap. If we join the two together, executive positions in the technological area, the situation can definitely be improved upon.

I feel that we all have to speed up the inclusion of diversity in companies' culture. But this does not apply

only to gender, but also to diversity of age, background, experience, etc. I am a staunch defender of diversity and believe that it contributes and creates value at companies. Ultimately, there is better cooperation, more balanced decisions are taken and innovation is encouraged, along with creativity and even attraction of talent. So, specifically in the area of technology, we must seek points of reference that motivate young people to pursue a professional career in innovation. That talent, which certainly exists, must be identified and made more visible. A special effort must also be made in promoting the inclusion of women in STEM careers. Therefore, we have to visit schools and explain the value of technology and how it can transform society for the better.

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With the impact of COVID-19 in all sectors of the economy, do you think that our country's business leaders have successfully navigated the digitalisation process imposed by the pandemic?

I think that Spanish companies have been up to the job. Without doubt, most leaders have been able to navigate this complex situation successfully. It seems to me that they have placed great importance on private companies and their role in the economy and in society in general.

I also believe that technology has played a fundamental role in the successful management of the crisis, with two differentiated roles, depending on the phase of the pandemic that we were experiencing. In the first phase everything was uncertain and the priority was to safeguard the health and wellbeing of our teams while maintaining the continuity of our operations. In a period of 24 hours, technology enabled us to send all our teams home and keep working with productivity that was very close to our normal level. Also, it was a time at which we as heads of the organisations had to show a cool head, take decisions swiftly -but also in close collaboration with the management team-

"Technology has played a fundamental role in the successful management of the health crisis"

and ensure smooth communication with customers to show trust and avoid uncertainty. This entire communication ecosystem was enabled by new technology.

The second phase of the pandemic brought certain stability, when operations were maintained and we all already began to think about the next step and the role of our organisations in a post-COVID era. This is when technology took on a more strategic role, because we all had to consider what made us resilient as a company and how we could include this digitalisation and these new technologies in our business model not only to survive after the crisis, but also to come out of it strengthened and harness the business opportunities that the new digital context could offer us.

Is there any leader that you would point out as someone who has particularly inspired you over these months?

There are many names and, in general, I would point out any leader of a company, whether big or small, who has prioritised maintaining jobs and the company's stability, even taking decisions such as reducing the salary and bonuses of the executives, for example.

However, if you ask me for a specific inspiration, I would highlight Amancio Ortega; I am Galician, after all. Throughout my life I have greatly admired his entrepreneurial skills, but also his management as a businessperson, surrounding himself with such a strong team, adapting so quickly to new technologies. I also think that during the crisis Amancio Ortega has proved himself to be an exceptional leader due to his humanity and solidarity.

From another perspective, I would also point out the Prime Minister of New Zealand, Jacinda Ardern, who has been acknowledged worldwide for her communication skills. She communicates positively but also very honestly, which has generated enormous trust among her fellow citizens.

As the CEO of a leading multinational and being a specialist in risk management and digitalisation, what would you say are the main risks that your customers have faced? And what have been the most in-demand technologies?

We are living at a totally unprecedented and complex time because, on the one hand, we have the 4.0 revolution, digitalisation -which has even sped up- combined with the uncertainty and economic crisis arising from the COVID-19 situation. Companies in general are facing significant risks for which technology can be of great help.

I would highlight four types of risks. The first is the company's short- and medium-term profitability risk. The second is credit risk management. The third type of risk relates to the business model and the company's decision-making processes. The fourth type consists of the risks inherent to the digital channels which are now growing.

I'll explain each of the types of risk very briefly. With regard to the business profitability risk, the health crisis has led to an economic crisis that has affected all industries to different extents. In this environment it is fundamental to identify measures for containing companies' costs and improving their productivity and efficiency. Technologies such as artificial intelligence allow certain decisions and processes to be automated and data to be included and exploited, with advanced analytics methods that help us to take much swifter and more accurate decisions, with higher predictability. On the other hand, we have cloud structures and SaaS operation platforms which enable you to pay per use and are therefore much more flexible and scalable.

The second risk is credit risk management. The economic crisis will result in a situation of tension for families and companies. This can cause an increase in non-payment and default in society in general. At our credit bureau, we are already noticing that the customer risk profile has worsened by around 20-30%. For example, the default rate, which was at 4/80 for

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the banking industry pre-COVID-19, could double, or even reach double digits, in the next year or year-and-a-half, especially when the debt relief periods granted by the Government and the banking industry to the most vulnerable sectors expire. As individuals and companies are experiencing difficulties in terms of their ability to pay, incorporating advanced credit risk scoring with advanced analytics models will be fundamental to anticipate these non-payments and manage collections more effectively and intelligently.

The third risk relates to the business model you might have or strategic decision-making at the company, whether in relation to the target customer on which to focus, pricing, your risk appetite or your customer relationship model. Until now, this was based on historical information that has perhaps become outdated due to changes in customer behaviour and consumption patterns. Therefore, these decision-making models should be reviewed.

Finally, we have the risk inherent to the digital channels. We all know that all online and mobile channels present multiple opportunities for the company, but they can also entail considerable risks. Mainly, we are seeing interest in tools that protect the user's digital ID, not only in the area of cybersecurity, but also in

cyberfraud. Companies are expected to check whether the person accessing their services via internet is really who they say they are, with smart platforms that use technologies such as biometrics, device-based fraud protection and e-mail fraud protection; in our case, these platforms connect with our fraud bureau. Therefore, these technologies help to significantly prevent and reduce this online theft. In the same area, we must also protect the company, which in a matter of seconds has to decide whether to sell or accept the product or approve the user as part of its customer base. Companies need to perform a very swift solvency assessment with little information and we, with our open banking solutions, help them decide whether or not to accept the customer, with all the corresponding guarantees and security.

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