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Interview with Ernesto Caccavale

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“A leader has to envision the future and be willing to take risks”



Ernesto Caccavale | Business Development Director for Spain and Portugal at the Alibaba Group

Ernesto Caccavale, Business Development Director for Spain and Portugal at the Alibaba Group, believes that a true leader should be humble, flexible, farsighted and willing to take risks. Caccavale's career has encompassed not just business and communication but also politics. He was a member of the European Parliament, vice-chair of the Union for Europe group of the Subcommittee on Human Rights and a member of the Committee on Civil Liberties and Internal Affairs, among others. This background helped shape his understanding that his new position still allows him to contribute to Europe's development, even more so than when he was in politics. Proud of this, he adds: “We live in a globalised world where the competition is international and where we mustn't forget to always put ourselves in the shoes of the person we're addressing.”

What have you learned about leadership in your career?

First and foremost it is important to be farsighted; the ability to envision what could happen in the years to come. I think that's the hardest thing a leader has to grasp, but it shouldn't be taken too far because you run the risk of becoming a prophet, and prophets often go unheard. Another key quality is humility, because leaders should be humble and build strong relationships with the people they work with and gain their confidence.

On this point, specifically, what qualities do you think leaders should have?

First, the trust of the people they work with. Building and earning trust with the people they work with is essential. I'm a firm believer in the idea of open leaders who take an interest in the goals of those they

work with. Leaders need to give responsibilities to people, to employees and their team. I truly believe in people's ability to manage their own time in the best way. That said, the goals always need to be clear, and there shouldn't be too many rules, but clear rules that must be respected. When leaders try to impose too much control over their teams, they run the risk of that control being counterproductive.

You highlighted teams: how do you think leaders can motivate their teams in an environment of constant change and transformation?

First, by choosing the people they work with; that is essential. As I pointed out, I firmly believe in trust, but it needs to be reciprocal. Having a shared vision and the ability to easily understand each other is vital. Building a team is very difficult. More than exercising leadership, the difficult thing is choosing the right people.

Another key point is that leaders are not always in a position to choose their team; sometimes, you have a team that's already been put together. This makes it very important, on the one hand, to be able to choose your team and, on the other, to also be flexible. When you find yourself in a new situation, you need to be able to manage these different situations in a different way.

What role does education play in a leader's growth?

I'm a strong believer in education, much more so now than when I was studying. When I was studying, I was convinced that practical experience could be more important than the ability to study and delve into the details of different arguments. Now I have three children who are at university and I encourage them to study hard and get the best training.

There's a big difference between the type of education provided in universities in Southern Europe and the education provided in English-speaking countries. In Southern Europe, university education is more theoretical, while in the English-speaking world it is much more practical. I believe in the importance of both approaches. On the one hand, the chance to study, to better understand arguments we might call theoretical, and, on the other, the chance to gain practical experience in companies that provides you with first-hand knowledge of the business world.

Do you think the idea of leadership has changed in recent years? And, if so, why do you think it has changed?

It has changed a lot because the world of business has changed. The world is more open now. You can try and build walls but, in the end, you can't escape the fact that the world is more open. I work at a company, the Alibaba Group, that understands this. Communications have changed the world, which is why the way companies are run has to change. We can't stay closed off, we must be open and look to the future with an understanding of other cultures.

For example, when two people of my age speak, one European and the other Asian, there is a clear cultural divide. However, if two young people of my children's age speak, one European and the other Asian, the cultural divide is not as pronounced. They listen to the same things, they have the same goals... This means that we need a complete shift in our mentalities and attitudes. We should look at the world, as I like to say, as if it were a small village.

I'm a firm believer in the idea of open leaders who take an interest in the goals of those they work with. Leaders need to give responsibilities to people, to employees and their team. I truly believe in people's ability to manage their own time in the best way

Talking about the world being open, do you think then that internationalisation is essential for a country to recover and improve its competitiveness?

No doubt about it. In general, European companies that are taking on the internationalisation process, that are opening up to the possibility of selling their products outside their domestic borders, are the only ones that can be saved in today's world. I'm convinced of that. Global competition will be so fierce in the years to come, so significant, that, if companies are not prepared to internationalise and export outside Spain, Italy, France, etc., it will be very hard for them to survive.

I believe that what we're doing in the Chinese market is the proof of a revolution in full swing. The digital revolution that is taking place in China, with 500 million active consumers who make purchases on our platform, brings with it increased demand for international products. We have to be aware of the option of using e-commerce in all our day-to-day activities, because Chinese people don't go to the supermarket, they don't pay taxi drivers in cash. This isn't the future; it's now, and I believe that only companies that are witnessing what is happening now, at this moment, in the Asian market, and in China in particular, as well as Japan and many other Asian countries, can see that there is an opportunity to grow and take risks.

With that in mind, how do you convince a leader in a market like Spain's who is in a strong position and doesn't believe in taking risks?

That's a good question and that's the work that I do every day. I've spoken to a great many business leaders, and what I see is an unwillingness to take risks. I never tire of explaining to Spanish business leaders that there is a great opportunity now in the Asian market in general, and especially in China. I encourage them to be decisive and take risks, with a strategy and a team behind them, of course, but to be motivated and face the challenge with determination.

Business leaders need to understand that, right now, Chinese consumers are looking for international products. If they don't find the Spanish product, they buy the Italian or the French one instead. What they're looking for is an authentically international, original product; they don't want copies. That's why many business leaders are scared of China, because it's clearly not easy. It is an enormous opportunity but it isn't for everyone, it takes companies that are smart and agile. It also represents an opportunity for smaller companies.

In fact, we have some examples of smaller companies that started to work with us, SMEs let's say, and now they're selling a huge amount. They were successful in China because they were flexible, they were agile and they made quick decisions. Time is a determining factor right now. The first companies to enter the Chinese market are going to be the first to capture market share that later companies will find very hard to appropriate or capture for themselves.

What would you say is the main challenge in Spain with regard to international trade?

I see a lot of potential right now. Spain has great products, but it's lacking a strategy and real flagship products. Chinese consumers want quality, they want to know why they should buy your product. That's why marketing initiatives like storytelling are so important, because consumers don't just buy the product, they buy what's behind the product as well.

We live in a global world and we have to explain clearly to Chinese consumers why they should buy a Spanish product. We have to paint for them, as I was saying, the story behind the product. The story is fundamental,

and Spanish products have everything they need to be successful. They have the story, they have the quality, but they need a bit more encouragement and marketing.

Moving on a bit now to your professional experience, which situations do you believe have had the greatest impact on you as an executive and have shaped your management style?

For me, the turning point was when I finished university in Naples. That was when the Mediaset Group called me and when I did a Master's in Marketing and Communications. It changed my life because I saw that the world wasn't the way I'd seen it in university.

The leader I met who was then, and still is, the owner of the Mediaset Group, Silvio Berlusconi, was able to understand the future, to envision what has happening in the world of media, which at the time no one else had grasped. It was, of course, a defining experience in my career.

Politics has also taught me a lot. In my political career, I always tried to focus on improving how business leaders could invest money in a way that creates real economy, real jobs. My goal was to think about how politics could improve the economy, which doesn't mean giving public money to the right or to the left, it means establishing the best conditions and implementing the best policies to ensure that private business leaders can invest and that, when they do so, they create real economy, in other words, jobs.

Now, working with Spanish companies, helping them market their products internationally, I can say that I'm helping the Spanish economy. I'm proud of that, being able to say that I'm contributing to increasing Spain's GDP, it's something that fills me with great pride.

Is there a leader you especially admire?

I've worked with two leaders who've taught me a great deal. One I've already mentioned, Silvio Berlusconi, and the other is my current boss, the founder of Alibaba, Jack Ma. He is an extraordinary man, a man with an incredible vision of the world, of business, of the future and of life. He thinks about how to help the less privileged, how to promote sustainable development, how e-commerce can help small companies grow.

Both leaders have formed part of the story of my life and they continue to do so to this day. I'm now working in the Alibaba Group and it's like being a young man again. It has given me the chance to work in one of the biggest groups in the world, the largest e-commerce platform in China and one of the largest in the world.

What would you tell young people who are finishing university and are about to enter the job market?

I would make the same suggestion that I make to Spanish business leaders. I would tell young people to study and to take risks but not to forget what is actually happening in the world.

Study a lot, delve into the theoretical basis of business, but also find opportunities for real experience in companies and don't be scared; take risks without fear and open your mind fully to the world around you.

I never tire of explaining to Spanish business leaders that there is a great opportunity now in the Asian market in general, and especially in China. I encourage them to be decisive and take risks

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