



CONFEDERACIÓN
ESPAÑOLA DE
**DIRECTIVOS
Y EJECUTIVOS**

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Positive leadership

Interview with José María Álvarez-Pallete

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“We have to transform our networks to turn a product like the one voice was into a mass product like data”

José María Álvarez-Pallete. Chief Operating Officer of Telefónica

CEO since 2012, Álvarez Pallete brings us his experience leading the changes in the telecommunications sector during the last years.



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Present in 21 countries with a customer base of over 340 million accesses. What are the main challenges facing Telefónica in the short term?

The main challenges consist of transforming our networks. Going from making a voice product to making a mass product like data requires strong investment because we're constructing a new data factory and we're doing it in an orderly and coordinated way, following customers' demands; it's a huge transformation. In short, we need to understand this transformation and be able to carry it out at the right pace.

How does the international community perceive our leaders?

In the last 30 years, Spain has had leading companies in many industries; we hold a very important position in the telecommunications industry. This is linked to a strategy and a vision on the part of our executives who are currently competing with the biggest companies in the world. We need to be aware that we can compete, that we have the talent and also a luxury that few countries have; we have many business schools that are among the top ten in the world.

What characteristics must a good leader have?

Good training, knowing how to find and surround yourself with talented people, knowing that talented people not only complement you but also give you a perspective which you, as an executive, would not be able to attain by yourself. As well as being close to this talent, you need to know how to develop it and above all to listen to the customer and to the organisation because normally one person can't mobilise a large organisation alone.

Continuing with the characteristics of an executive and outlining the profile of a leader, what do you think leaders need now that they didn't need before?

We have to be able to understand the times we're living in; the magnitude of the technological change we're facing is tremendous, it's disproportionate, never before have we lived through such technological change and that creates a need to adapt to a quick-thinking mindset. It means we have to imagine scenarios that may have seemed improbable but are actually going to happen.

What's the greatest difficulty a leader has to face on a daily basis?

The most difficult thing is understanding that your traditional product or your way of tackling a project has changed. In our case, we've been selling voice telephony for 80 years and now it's a product that is being relegated to second place, it's disappearing, people are treating it like a by-product of the data network. For me being able to keep pace with these changes is the biggest challenge we're facing.

“Spain has a luxury enjoyed by very few countries; it has several business schools among the top ten in the world”

Focusing now on the telecommunications industry, what do you think is the path to follow for the industry leaders at the present time of economic recovery?

In our case, investment. We've been very consistent in this sense; at the worst point in the crisis Telefónica doubled its investment bid in Spain. In terms of market penetration, Spain went from being the sixth country in Europe in absolute numbers in fibre to home connections, to being the leader. And we carried out this process in the worst years of the crisis. We believe that if at this point in time we are clear about which direction we want to take then we have to be very consistent and very tenacious in constructing that project.

Lastly, how do you value and what importance do you place on Corporate Social Responsibility in companies?

It has always existed; companies that want to have a long-term sustainable business cannot isolate themselves from the society in which they live. Today, because of the proliferation of online technology, communication with society is a lot easier, more immediate and more direct. Thanks to social networks there are no longer any filters. It's just as important to have a business strategy as it is to have a public positioning strategy based on social action and on corporate social responsibility.

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