



# Talent Engagement as a Competitive Advantage

HR Summit 2010

10-11 May, Kowloon Shangri-La Hotel, Hong Kong



**NIQ Lai**

CFO and Head of Talent Engagement  
Hong Kong Broadband Network Limited

# City Telecom Group

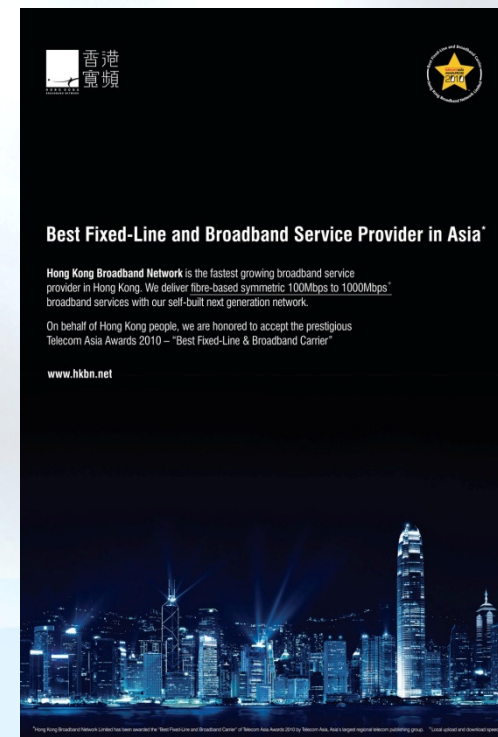
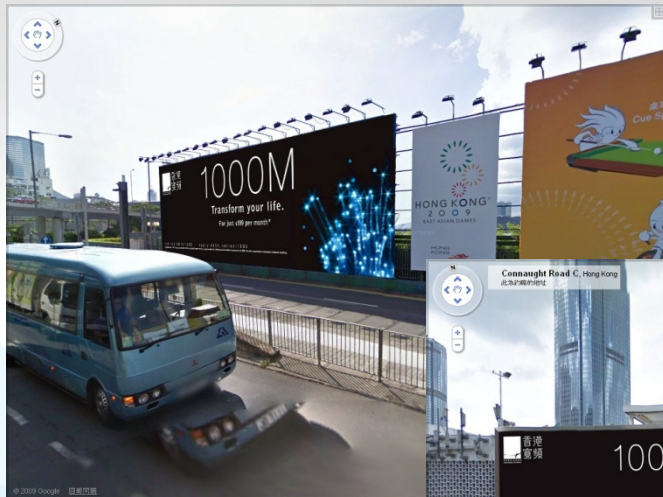
1992

- Co-founded by Ricky & Paul with 10 Talents and start-up capital of less than HK\$1 million
- 1<sup>st</sup> company to shatter the International Direct Dial (IDD) monopoly in Hong Kong

2010

- Over 3,000 Talents located in Hong Kong and Guangzhou with HK\$1.5 billion annual revenues
- Hong Kong's largest alternative and fastest growing residential broadband service provider
- HK\$4.5 billion market capitalization company listed on Hong Kong Stock Exchange and NASDAQ

# People Think of us as a Technology Company ...

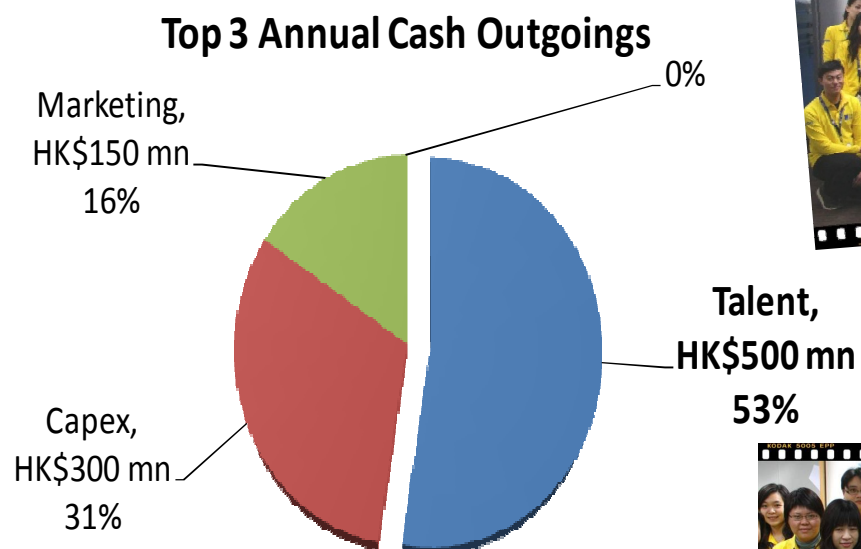


**Cross Harbour Tunnel & Star Ferry, Central Billboards**

**Best Fixed-Line and Broadband Provider in Asia**



# ... But we are in fact, a Talent (People) Company



# What are we Passionate about?

## Core Value

**“To experience the emotion of competition, winning and crushing competition”**

### VISION STATEMENT

#### CORE PURPOSE

To experience the emotion of competition, winning, and crushing competitors

To experience the joy of advancing and applying telecommunications technology for the benefit of society

To fulfill the desire of Self-Actualization and “to become everything that one is capable of becoming”

#### CORE VALUES

##### 1. Continuous strive for the best as a way of life

- We continuously look for innovative change/improvement in our life and in our company, including products, services and work processes and ourselves; even though change is painful most of the time.
- We regularly change whatever can be changed after a certain period of time, even though we may not foresee any gain at the moment. We encourage “failures”.
- We will not rest as long as there is a single outstanding unresolved customer service complaint.
- We discover and elevate individual ability to make the most of their lives.

##### 2. We are People's Leader and Pioneer

- We lead the development of the industry. We don't follow others. We set the norm. We prescribe the standard. We set industry practice.
- We prefer to do the impossible or difficult task, rather than something likely to happen.
- We commit ourselves to big and audacious challenges.
- We appreciate, support and reward risk-taking decisions.
- As a People's Leader, we have the duty to lead the community, put community's benefit before ourselves.
- As a Pioneer, we may be accused of moving too fast, and not being acceptable by the mass, especially at the beginning.
- We never give up. We are never afraid. We are ever a group of aggressive youth.

##### 3. Direct and Action oriented

- Direct, frank, and transparent communication with our colleagues.
- Action-oriented. After a conclusion is made, whole company works as a single team toward the task.
- We encourage direct communication between the bottom and the top. Kill those who intend to block or cover up.
- We regard office politics. Do not waste our time!

## Big Hairy Audacious Goal (BHAG)

**“Be the largest IP provider in Hong Kong by 2016”**

### ASPIRATIONAL VALUES

#### Integrity

- Think about “Integrity” before making a decision.
- Delivering our promises.
- Making fair deals.

#### We only work with smart, capable, competent and demanding people

- Human is not the same in every aspect. Some are smarter and more capable at workplace.
- We need a group of staff with similar capability to build “Team Work”.

#### BHAG

Be the largest IP provider in Hong Kong by 2016.

IP provider means both infrastructure and service. Not only means BN access, but also includes all applications basic and VAS running on IP platform, i.e. VoIP, IPTV, mobile data over IP.

Be the largest means customers think we are the “best”.

This is why we didn't call ourselves CTI broadband few years ago.

We will be the dominant IP player in HK, overtaking PCOW.

It is measured by both number of subscribers and total revenue.

#### Vivid Description

Today, no one believed we could do a better job than PCOW or HCC. They thought we were just crazy and hopeless. They thought we could at most only survive for a short period of time. Then, we would be forced to sell the Company and assets; and HKBN would disappear in the market. But, we have proved ourselves: they are all wrong! By 2016, our results will prove that, the 10-year investment and business strategy is correct. We shall prove that we are right!

Our team will be famous of “turning everything possible”. Parents and schools refer us as a demonstration of “Never give up”, “Attitude training”, “Volition” and “Hard”.

We will be the first choice of customers, employees and business partners. They will come to us before contacting other operators.

All our staff will be professionally developed and trained. We offer a career rather than a job. A strong service oriented culture is bred. Our management team will be mature, knowledgeable and experienced, and frequently being invited as speakers to teach and share their experience in university management courses and industry events.

Our families will share our pride on our achievement and contribution to this region. We will be respected by our competitors, customers and governments. The best up-and-coming university graduates will seek to work for us in earnest. They will be willingly to work passionately because they know the value we create for this world. They know besides financial reward, here is the place they will find fulfillment in life.

We will be one of the well known telecommunications companies in this region. Our products and services range from network infrastructure to customer's software and hardware implanted in the human body.

My children would say, “Dad, I love to have you as my Father.”

## Vivid Description

**“My children will say, “Dad I love you as my Father””**

## OLD: “Company-OUT” rather “Customer-IN”



**Director of Customer Service**

**Director of Sales**

**Director of Network Maintenance**

**Director of Network Development**



## NEW: Customer Centric Approach



Ben Hui: Hong Kong Island

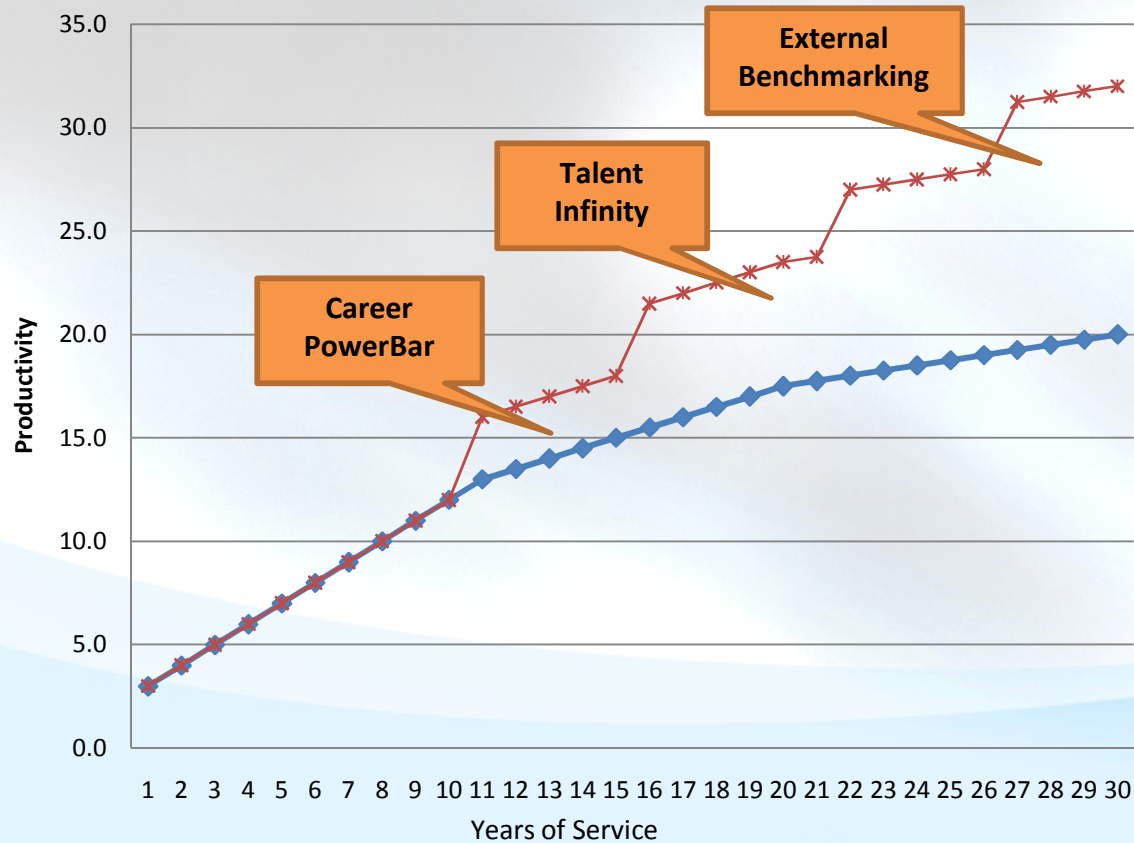
Elinor Shiu: Kowloon East

Mikron Ng: Kowloon West

Kennis Tsang: New Territories East

Annie Chan: New Territories West

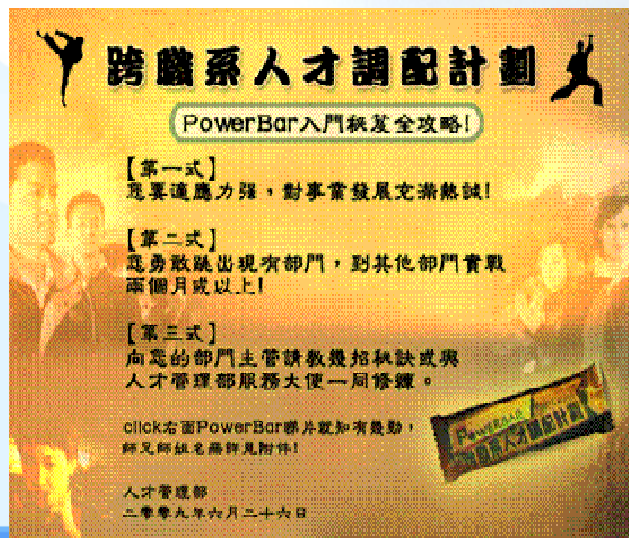
# Mid Career Jolts!





# Jolt 1: Career Power Bar – Mid Career Change

- High Potential managers with three years tenure in the same position are required to change position and reporting line.



**Win: Company**  
(1) Succession Planning  
(2) Communications amongst departments

**Win: Talents**  
(1) Strengthen your CV  
(2) Develop your EQ to work with different teams  
(3) Gain the perspective of your internal customers

**Win: Teammates**  
(1) Chance of stepping up  
(2) Stress test the team without the leaders

## Jolt 2: Talent ∞ Infinity - eMBA Partnership

開始 修讀 年份	人名稱 (以英文名排序)	部門	職位	修讀課程
2009	1. 黃宇傑先生 (Mr. Andrew Wong)	ACS	Senior Manager - Finance	CU eMBA
	2. 莊建俊先生 (Mr. John Chong)	INC	Director - Corporate	CU eMBA
	3. 梁澤森先生 (Mr. Sam Leung)	CRE	Customer Relations Manager	CU eMBA
自 2006 年起	1. 張樂雯小姐 (Ms. Amanda Cheung)	MEC	Marketing Manager	CU eMBA
	2. 吳紹麟先生 (Mr. Anthony Ng)	IT&D	IT Manager	CU OneMBA
	3. 盧偉民先生 (Mr. Daniel Lo)	ACS	Manager - Finance	CU eMBA
	4. 葉廣達先生 (Mr. Dick Ip)	NOC	Associate Director - Network Operation Centre	CU eMBA
	5. 黃國昌先生 (Mr. Eric Wong)	COR	Associate Director - Corporate	CU eMBA
	6. 鄭靜雯小姐 (Ms. Jessie Cheng)	PR	Associate Director - Corporate Communications	CU eMBA
	7. 曾月薇小姐 (Ms. Kernis Tsang)	CRK	Associate Director - Customer Relations	CU eMBA
	8. 馮星奧先生 (Mr. Leo Fung)	TD	Network Manager	CU eMBA
	9. 黎汝偉先生 (Mr. NiQ Lei)	SED	Chief Financial Officer	Kellogg-HKUST eMBA
	10. 王維基先生 (Mr. Ricky Wong)	MGT	Chairman	CU eMBA
	11. 邵翠珊小姐 (Ms. Trason Shiu)	CRB	Customer Relations Manager	CU eMBA
	12. 楊主光先生 (Mr. William Yeung)	CEO	Chief Executive Officer	Columbia University Senior Executive Program

- 75% of our top 33 Managers have or are in the process of gaining a post graduate degree.
- Sponsor only high quality “in person” courses from The Chinese University of Hong Kong, Kellogg-HKUST, Stephen M Ross School of Business University of Michigan, etc .
- Gain external perspectives without having to leave the company.

# What we Can't Learn from Reading Books

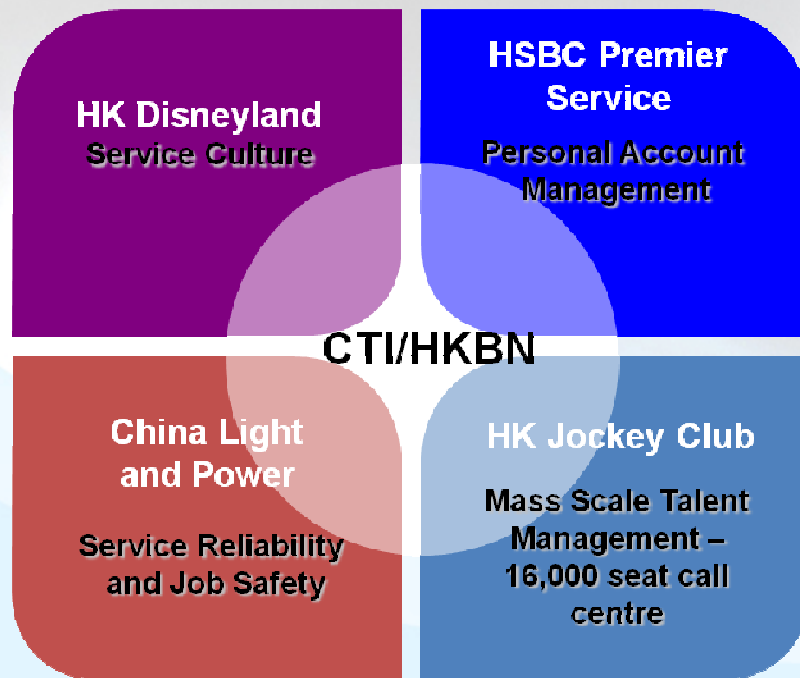
“EMBA helps me to stop and think what I am doing. I want to quote a story for illustration. A lumbering worker works very hard but his living is not very good. What he has for his lumbering work, is a blunt saw.

One day, a passerby meets the worker in the forest and asks him why don't sharpen the saw. He said he was very busy and had no time to do so. It is because he was cutting a huge tree.

I see many people like the lumbering worker including me. We always focus to solve the problem right in front of our eyes, but overlook the ways and tools on hand. The tools may have been outdated, ineffective and inefficient. The world is changing rapidly. The tools might be the most advanced in the past, but it may have been outdated now.” ... EMBA Graduate 2008



# Jolt 3: Benchmark Beyond our Competitors



Benchmark Beyond our Direct Industry Competitors



Management Visit to HK Disney Land



Management Visit to Japan

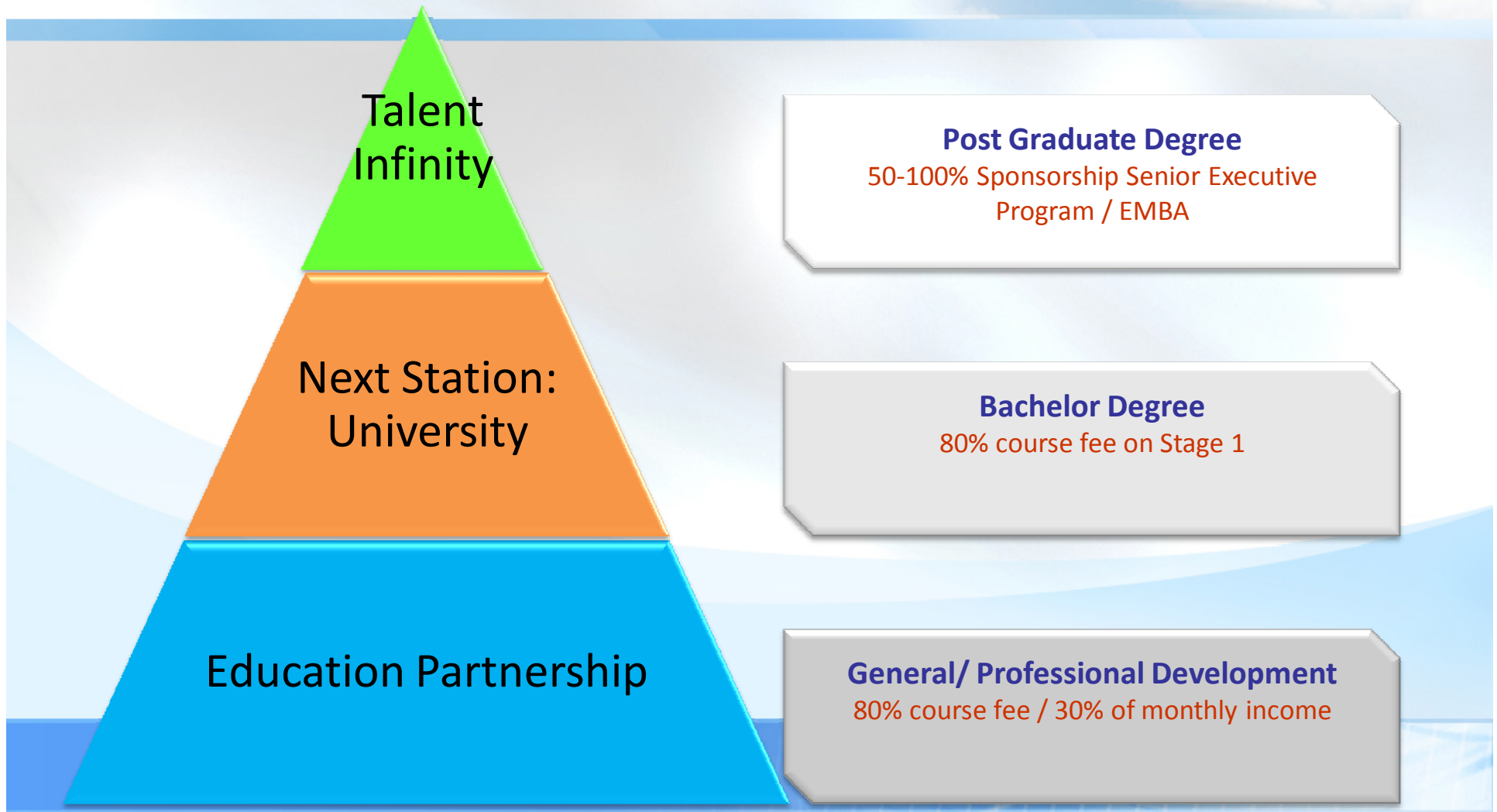
# Entrepreneurship – Mini CEO

## List of monthly mini-CEO P&Ls

Item Name		Description of the entry
1	Revenue	Fixed as Revenue, BBTM & Contract Item
2	Operating Expenses	Monthly summary on actual income budget
3	Operating Profit	Actual income budget P&L, signed - revenue
4	Operating Profit	Actual income budget P&L, signed - revenue
5	Operating Profit	Summary of operation expenses by ABC code
6	Operating Profit	Operating Profit
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- ~40 mini-CEOs with Full Profit & Loss Responsibilities... More Autonomy & More control
- Every mini-CEO needs to be financially literate, be able to talk a common language of “business”
- Key Performance Indicator based compensation packages ... with “BMW” objective
- Internal “grow the pie” benchmarking rather than internal competition... stimulate innovation culture

# Engagement: Talent Upgrade Rather than Opex





# Engagement – Direct Communications... in Good and Bad Times



**2x Per Year, Town Hall  
All-Talent Meetings**

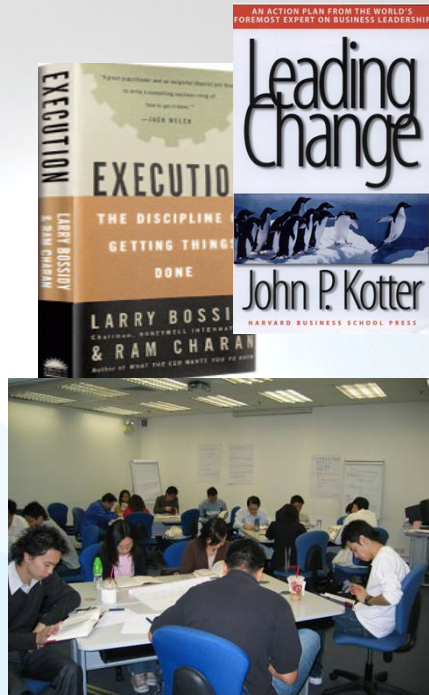


**Annual All-Talent  
X'mas Party for  
Hong Kong and  
Guangzhou**



**Annual International  
Management Offsite  
Japan 2009  
Germany 2010**

# Engagement – Reading Day, English & Mandarin on Fridays, IELTS benchmarking etc



Reading Day



Friday for ME  
(Mandarin & English)



Compulsory IELTS  
Benchmarking for  
Senior Managers



**“An active mind cannot exist  
in an inactive body.”**

**General George S. Patton**



# Work Life Balance – Action Rather than Words



▲ Free Ice-cream Day



▲ Marathon Training



▲ Free Fruit Day

Free Massage ▶

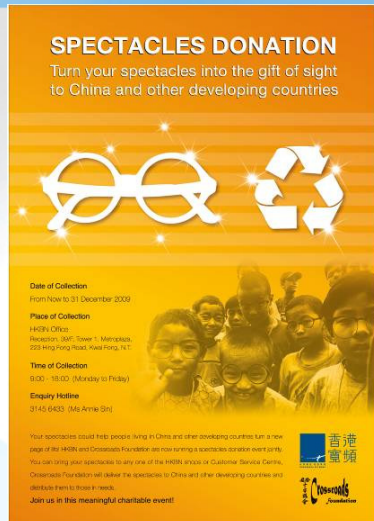


◀ Cake Cooking Course





# “CSI” rather than “CSR” ... I = Investing



Collected 10,000 glasses  
for “Gift of Sight”  
campaign



Moon Cake Donation for  
Neighborhood Kids in  
Kwai Chung



Dumplings with elders in  
Dragon-boat festival





# Our Gastronomical Canteen



**Free Zone –  
a really cool environment  
for our Talents to relax.**

## **Awesome Free Zone Promotions**

**Abalone/Shark's Fin/ Bird's Nest  
at HK\$9.9/ US\$1.3**

**Fresh Coffee @  
HKBN Café with  
lounge chairs**





## Getting the Wrong People off the Bus

- Terminate 5% of bottom Salary Base every year
- “Do nothing” assumes that 100% of hires is right for the bus
- Focus our limited resources on the top 95% of performers
- No inflation adjustment, only productivity adjustments; no standard 13<sup>th</sup> month payment, only year end performance bonus

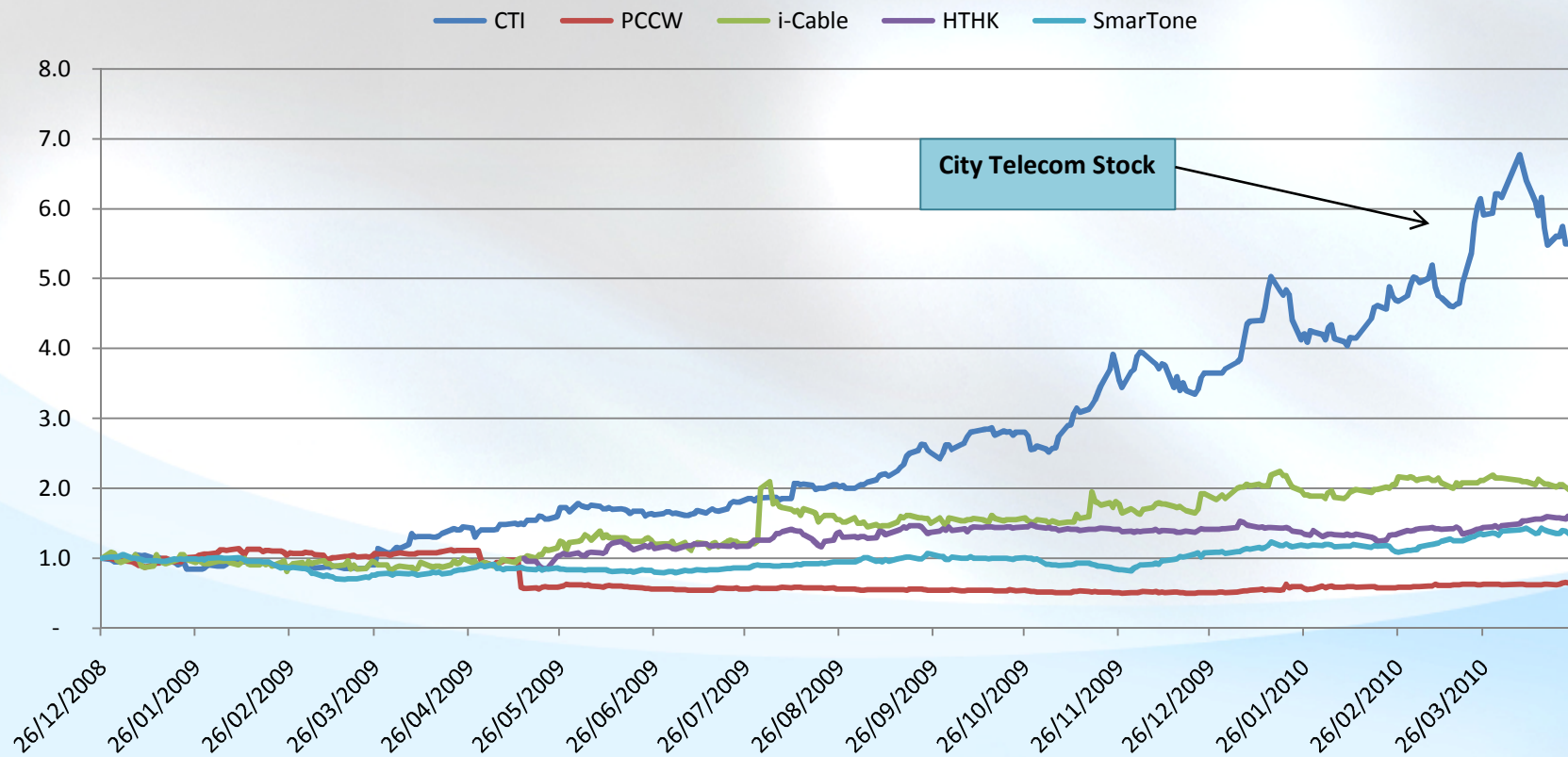
## Talent Overflow = Happy Problem

- Lots of headhunters calling is better than no headhunters calling
- Whilst many companies can offer a short term salary premium, few can match our career-life time value and sense of self actualization
- We will focus on developing our stars ... some of our bench player will be attracted to run other companies

# The Results?



# Happy Talents, Happy Shareholders





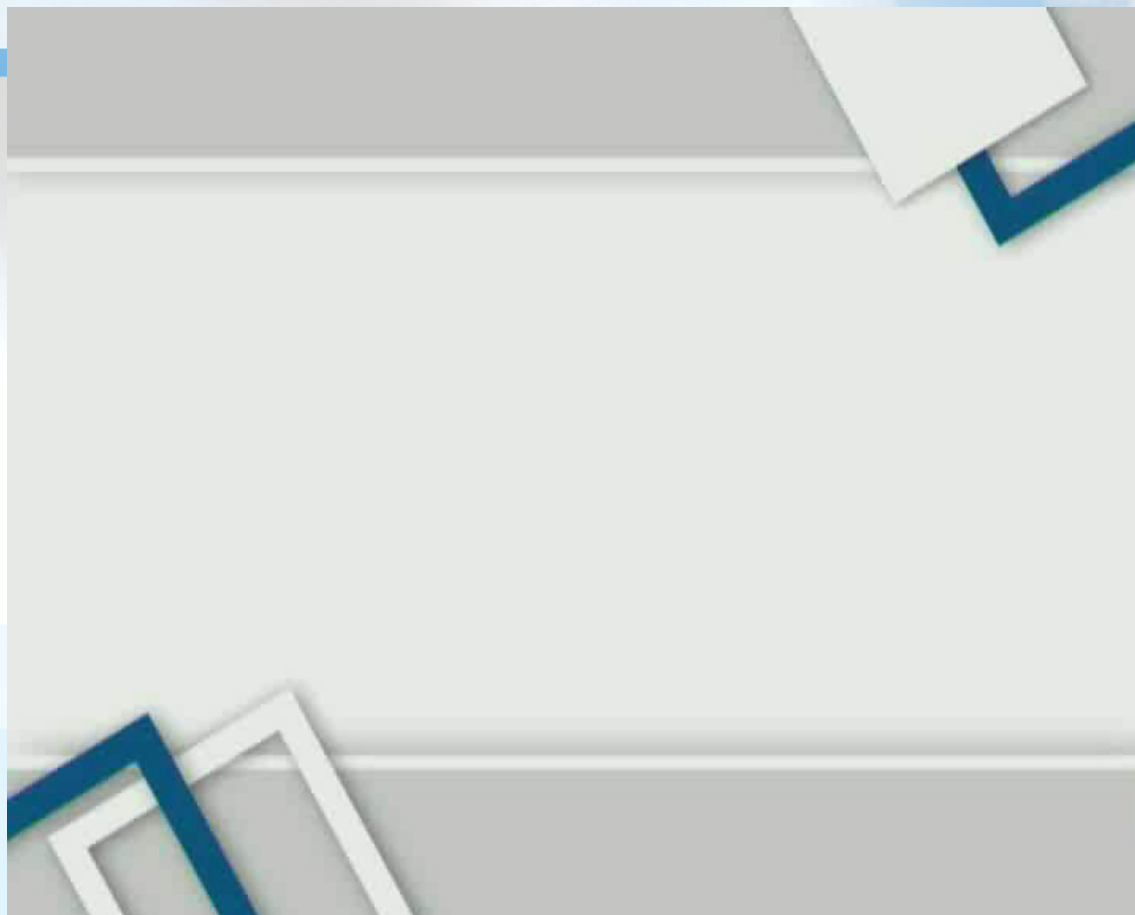
**... Our Future in  
15-20 years time?**

## Searching for my own Upgrade in 15-20 years time

- Management Trainee Program to Develop our future CEO, CFO, CTO etc in 15-20 years time.
- Requires - CFA Level 1, half marathon, 18 management books, etc.
- 793 applicants from 117 universities for two positions in 2010.







Watch it on youtube: <http://www.youtube.com/watch?v=-LNEwz9D8I0>

The background of the slide features a bright, sunny sky with white clouds at the top. Below the sky, there are stylized, light blue wavy lines that resemble water or a horizon. At the very bottom, there is a solid blue horizontal bar.

# Thank You!