

# Focus

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ASEAN Countries: Don't Miss Out  
Must Read! Advancing a Profitable Medical Tourism Strategy

## Topic of Focus

Knowledge Must be Increased to Capture the Restless Hearts of Millennials

## Quick Reading

The Front Line for Design Thinking



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# Innovation Crisis Management

P. C. Chang



► Pao Cheng Chang, President of the China Productivity Center

Ever since Joseph A. Schumpeter proposed that innovation is the main driver of business growth, innovation has been viewed by businesses as the key element to organizational survival and the source of competitiveness. And yet, innovation can also create a crisis of decline for a business. The more

successful an organization is at innovation, the more precarious its situation becomes.

## Outstanding Results Become the Straw that Breaks the Camel's Back

Last year, Mainland China's top mobile phone research organization published a sales ranking of the top ten Chinese mobile phone brands. Surprisingly, the highly-innovative Xiaomi was not on the list, pushed off and replaced by Huawei, OPPO, and Vivo.

Xiaomi was once a leading innovator. Superficially, their decline seems to be a case of "rising and then falling by price-performance ratio." However, the root cause is that company leaders lacked crisis awareness, turning the company's successful track record into a great burden.

The book *Predictable Surprises: The Disasters You Should Have Seen Coming, and How to Prevent Them*, published in Chinese translation by the CPC, says, "When leaders are indifferent to emerging threats or problems, they will underestimate the importance of ominous signs, even if they see storm clouds filling the horizon."

How does an innovation crisis originate? Usually, there are predictive signs. For example:

leaders becoming immersed in the taste of success and becoming satisfied with the present conditions such that they neglect self-examination and evaluation; leaders starting to require innovation teams to pursue efficiency and responsibility, emphasizing specifications and budgets, and further requiring them to turn their innovative tasks into processes and standardize them; or leaders unable to perceive that new ideas and methodology changes proposed by innovators are resisted by supervisors. As soon as leaders ignore or are unable to distinguish these signs, then innovation becomes a slogan and turns into a formality; the organization's members lack an awareness of crisis; and the company becomes susceptible to the serious threats of competitor attacks, market transfer and, finally, being swallowed up.

## Bravely Imagine Crises

There is no question that the environment is constantly changing. The most important thing leaders can do to face unpredictable crises is to prepare by detecting timing, discovering signals, preparing plans, and carefully practicing. Only by preparing their organization well will they be able to respond to crises effectively. Therefore, leaders must come to comprehend the pattern of world changes through careful observation, bravely facing challenges, and earnestly using their imaginations, in order to break out of the existing thought framework and think from the perspective of customers in order to guide the vision of the organization and respond to any changing circumstances.

## Continue to Train in Preparation for Crises

When leaders continuously train themselves,

they are also increasing their capability of identifying innovation crises. Predictable Surprises... points out that the vast majority of business crises originate from team members' dogmatic belief in organizational values and an inability to adapt to actual economic circumstances; and an attitude toward and method of doing things that fills the organization with a sense of complacency and an ossifying atmosphere. When this happens, innovators are deliberately cold-shouldered and pushed aside or have resources taken from them. Therefore, leaders should establish a network of multiple warnings, which they should regularly check and examine to discover any crises that may be brewing and take preventive measures as early as possible and promote a stable foundation for innovation within the organization.

Management guru Peter F. Drucker said, "The most important task of an organization's leader is to anticipate crisis. Perhaps not to avert it, but to anticipate it." When companies face the crises to which they are susceptible while pursuing innovation, leaders must learn to transition from being reactive (passive) to anticipative (active) and thereby improve their adaptive (automatic) management capability. In this way, they can turn crises into opportunities and innovate for victory. (This article is adapted from some of the exciting material of the book *+ · - · × · ÷ Creating Five New Competitive Strengths*. 《+ · - · × · ÷ 打造新五力競爭力》) CPC





## Part 1 Introduction

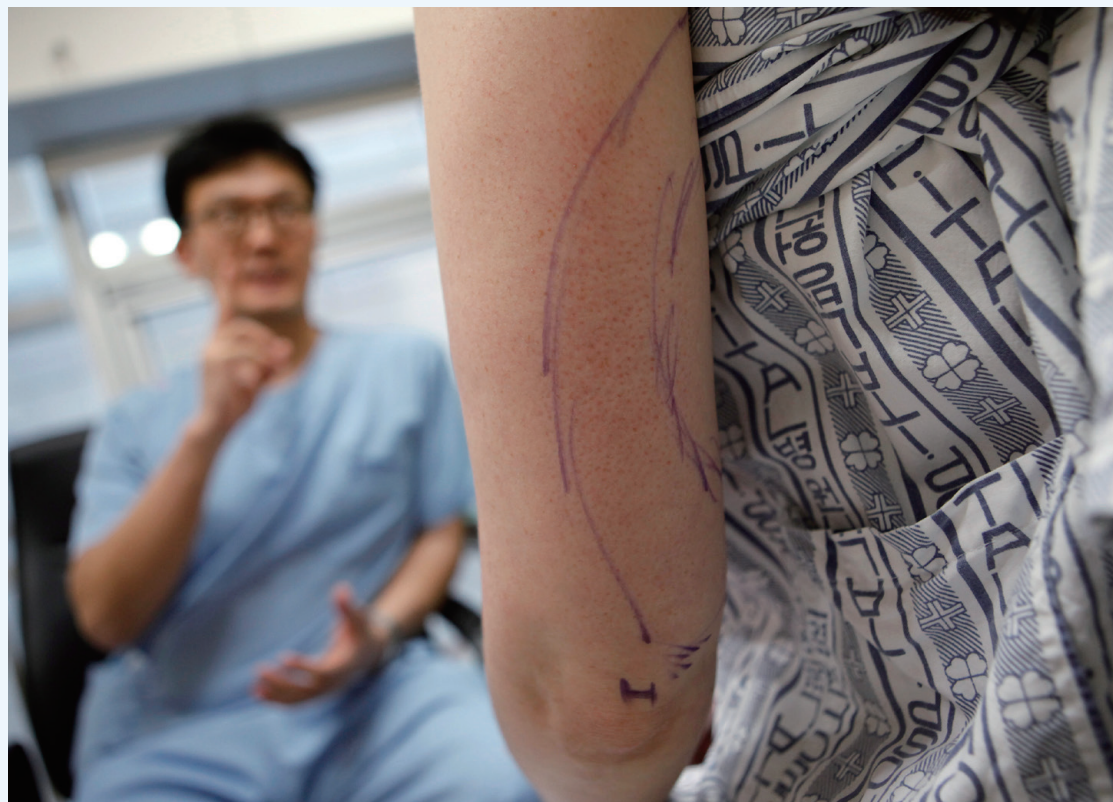
**ASEAN Countries: Don't Miss Out**  
Must Read! Advancing a Profitable Medical  
Tourism Strategy

**T**oday, medical tourism is one of the industries with the most energy for growth. As medical treatment globalizes, the worldwide medical tourism market has great growth potential. Countries like South Korea, Malaysia, India, and Taiwan are the outstanding players in this market, actively reaching out to attract medical tourists from abroad.

Medical tourism has already spread across the world. Research by Taiwan's Industrial Economics & Knowledge Center (IEK) shows that in emerging countries like those in Southeast Asia, public attention to matters of personal health increases with economic growth, thereby allowing the region's money-making formula of integrating medical health and tourism and leisure

to be a money-spinner. The current international trend is to categorize tourism by purpose, into that focused on medical services—"medical tourism"—and that focused on traditional tourism—"health and leisure travel"—differentiated by the degree of medical activities involved.

Medical tourism, as a hot emerging worldwide industry, refers to a model of integrating tourism purposes, of going to other countries or regions to receive healthcare services. The medical industry includes areas like preventive care, disease treatment, long-term care.... etc. For example, India's ophthalmic surgery is well regarded around the world. The Philippines has a global reputation for dentistry, and the local government even participates, providing potential medical tourists with a simplified customs process and preferential extensions of length of stay. Here in Taiwan, the domestic government has not at all opened up tourism for healthcare objectives such as surgery, in order to ensure quality of healthcare for citizens. Even so, itineraries for purposes such as health maintenance and disease prevention still present high-growth possibilities. Tourism concepts like body nourishment care, physical training, meditation, and beauty spas are also spreading internationally. For example, Thailand



has combined its traditional advantages in health and leisure tourism to promote the development of its health services industry and has successfully attracted tourists from Japan, Europe, and the United States.

## Equipment + Soft Power to Create a Unique Advantage

The problem is that health and leisure and tourism cannot simply be combined like "1 + 1" to create a whole greater than its parts. What is the first step?

These days, many countries promote the "medical tourism" industry. Taiwan, known as it is for advanced medical technology, has secured more advantages than most; and yet, the problem remains of how to create differentiated service. The





Taipei Wellness Clinic and Resort has introduced third-generation 3D imaging technology, including magnetic resonance imaging and precision computer tomography instruments rivaling those of medical centers, to gain the recognition of high-end customers. Such service does not win based on price but uses a strategy of value as competitive advantage. Sure enough, although it has been operating for not quite two years, even members of the royal family of Oman comes all the way here from the Middle East for services. The company has thus all at once become a standard bearer for the domestic medical tourism industry.

an example for the medical tourism and health and leisure industries, but how do we expand that and create a unique industry? Experts suggest that there must be comprehensive planning to nurture an emerging industry and cite three steps. The first is to train the interdisciplinary talent required for medical tourism. The second step is to strengthen international exchanges and learn about different countries' development trends to understand how we can work with them to achieve a mutually advantageous and win-win situation where we can exploit our country's advantages. *CPC*

## The Urgency of Cultivating Medical Tourism Talent

Taipei Wellness Clinic and Resort has created



## Taiwan Travel for Healthy Fun

### Stress Relief Travel: A Powerful New Tourist Draw

International tourism may no longer be a novelty, but who wouldn't be excited at the prospect of enjoying health checks and beauty services while on a holiday abroad! This tourist consumption model, newly emerging over the last few years, is distinct from the traditional model of tourism: It seeks to recharge tourists' "inner beauty" rather than take them to see as many historic and scenic sites as possible. Today there exists another goal for travel: to including health checks or cosmetic procedures in the itinerary to benefit travelers' "external beauty."

Taiwan has medical personal of excellent quality, and business opportunities in anti-aging, the health foods market, eldercare residences... etc., all having quite good growth potential. How should different industries use this potential to spur a tourism wave? Tzu-Yin Chang, chief of the Life and Bio-medicine Section of the Industrial Technology Research Institute's Industrial Economics & Knowledge Center (IEK) shares some domestic and international case studies and provides some specific analyses relative to her long experience researching health care industry consumers.

#### Focusing on Demand Personal Care Stands Out

"Based on worldwide trends, it would be difficult to roll back the current wave of the health industry!" says Tzu-Yin Chang, who often visits other countries. She explains, "We do not only



see the public turning their attention to health and wellness in developed countries like Japan, those in Europe, and the United States. It is not difficult to find people in emerging markets who



care about beauty and health." On a trip to visit entrepreneurs in the beauty industry in Vietnam, Chang personally witnessed the local women's love of applying face masks: Everyone was going to the beauty shop for service and to enjoy a brief time of stress relief. Subsequently, entrepreneurs took note of this promising business opportunity and actively expanded personal care itineraries for Vietnamese travelling to Taiwan.

Every country is competing for a share in emerging economies' rapid growth, hoping to

integrate medical and health care with leisure tourism in order to create an economic model of larger scale. To this end, Tsu-Yin Chang categorizes travel purpose as a starting point for those in the industry to use to orient themselves before setting out. Purposes of travel can largely be divided into "medical tourism," which is focused primarily on medical treatment, and "health and leisure tourism," which is focused primarily on traditional tourism. The two purposes are distinguished by the degree of involvement of medical treatment activities.



## **1. Using the precondition of medical treatment to stimulate the peripheral tourism industry**

Medical tourism, as a hot emerging worldwide industry, refers to a model of integrating tourism purposes, of visiting other countries or regions to receive healthcare services. The medical industry includes things like preventive care, disease treatment, long-term care.... etc.

Currently, the Asian countries who have most successfully developed medical tourism include those such as Singapore, Thailand, India, and Malaysia. According to Chang's analysis, these countries mostly corner certain market segments, specializing in a few certain areas of medicine. In India, for example, the national government has been encouraging private companies to develop the medical tourism industry since the 1990's, and among them those providing ophthalmic surgery have most successfully earned the world's favor. The Philippines, on the other hand, is known for dentistry and some types of surgery and has simplified customs clearance procedures for visitors intending to undergo medical treatment.

Singapore's government aspires to turn the city state into Asia's medical treatment center, promoting key medical tourism services from basic health exams to advanced surgeries, with every sort of specialty care service available. Appropriate recreational trips are scheduled between treatments or after surgery.

## **2. Leisure tourism as motive force, paired with health and wellness activities.**

In the broad sense, health and wellness, physical training, meditation, beauty spas, health

food, etc., are all parts of the whole concept of health tourism. Take Thailand as an example: It combines its existing tourism advantages with an active promotion of health services industries, which, combined with relatively low prices, successfully attracts tourists from places like Japan, Europe, and the United States. According to Tsu-Yin Chang, "Many people who go to Thailand will not only participate in spa stress-relief treatment but will also buy all sorts of beauty care products to take home with them. You can see that the idea of integrating tourism with health can be extended for unlimited business opportunities."

Nevertheless, Taiwan's government, in order to ensure quality of medical treatment for Taiwan citizens, has not opened up tourism for surgery and some other types of healthcare. Even so, itineraries for purposes such as health maintenance and disease prevention still present possibilities for high growth.

In fact, both the tourism and healthcare industries can find their own individual success, but the right kind of integration of the spirits of the two industries will be the key to creating high value. Tsu-Yin Chang offers the following approaches to consider for moving toward that end.

## **The Pocket Doctor Accessory Brings Rich Possibilities for Long-Term Stays**

Spotting a Japanese tourist on the streets of Taipei is not difficult. One middle-aged Japanese woman is leisurely strolling through the lanes when she feels a sudden bodily discomfort.





She turns on a smart device through which she consults remotely with her family doctor in distant Tokyo. It turns out that she suffers from hypertension and forgot to take her medicine. Through remote consultation, her doctor can give preliminary suggestions for caring for her immediate symptoms and assist with seeking medical service in an unfamiliar country.

This is an innovative service provided jointly by Taiwan's Landseed Hospital and Japan's MRT Co., Ltd., arranged through business matchmaking by the Industrial Technology Research Institute. The service provides remote emergency medical consultations and health advice, primarily to

customers who are travelling abroad. MRT's Pocket Doctor is a challenging new service in Japan. The Landseed International Medical Group integrates its business model, management system, and support network to provide customers with real-time health and medical treatment services.

Says Chang, "Facilitating this perfect match of industries provides a tourism environment that offers greater peace of mind for naturally cautious Japanese tourists. I believe that this will not only help open up more business opportunities for Taiwanese and Japanese industries but will also drive up the number of tourists."

Aside from their safety concerns, travelers going abroad fear that if they should get sick they will be unable to find appropriate medical care. Even though medical treatment strives for professionalism, the key to bridging this gap is nothing other than a sense of trust. The achievement of instilling a sense of trust will bring opportunities for long-stay business as well as short-term tourism.

## Stressful Workplaces Make Stress Relief Travel Attractive

The importance of preventive healthcare has been increasing over the years in response to changes in the concept of health and is predicted to account for 50% by the year 2025. Tsu-Yin Chang says that preventive health is achieved through the promotion of general health, which includes the four major areas of health management, food and beverage health, athletic training, and mental health—for example, healthy eating and drinking, stress relief, etc. As leisure evolves into the future, it will naturally move gradually in this direction.

Most people have always focused primarily on the health of their bodies, but much research has found that mental health must not be overlooked. And, today, as the pace of life accelerates, how can one adjust his or her mind/body balance in the busy and stressful work environment?

Chang gives the case of Japan as an example. Because of the ongoing severity of overwork in Japanese workplaces, in order to improve the distorted work culture, the Japanese government is promoting legal reforms but also mandating that companies must allow employees five

days of paid holiday every year. Recently it has also mandated that companies examine their employees' stress levels and arrange for stress reduction activities suitable for everyone. These reforms have led to the government's cooperation with Taiwan's Leadtek Research to use heart rate variability monitors to check employee stress levels and have stimulated the growth of the health and leisure industry.

"When I visited Japan's JTB travel agency," says Chang, wonderingly, "they demonstrated available activities to me. There were some for learning about health and nutrition, some for experiencing the lessons of nature... such a rich list of itineraries that would surprise anyone.

Chang thinks that when Taiwanese companies offer such activities, they still tend to be reactive or else limited to the level of illness management. But, as soon as employees can be provided with sufficient time off, this sort of tourism will actually help employees to rest and recharge and will increase innovation and work motivation. Therefore, the concept of health appropriately comprises vacations planned by workers.

Chang believes that in this era of cooperation and win-win situations, mutual assistance can occur only when resources are shared, and only then can an industry cooperate with other industries and countries to achieve even greater economic benefits! **CPC**

## The Taipei Wellness Clinic and Resort

# Selling Taiwanese Style Medical Tourism of Vigor and Youthfulness – Sought After Even by a Middle Eastern Royal Family

What will result from the collaboration of a health center and hotel? Can it create a new highlight of Taiwan medical travel? Taipei Wellness Clinic and Resort in Taiwan integrates across industries with Hotel Royal Beitou, providing the equipment and treatment team of a medical center to sell medical tourism characterized by vigor and youthfulness that has reached a new milestone for medical tourism.

When one walks into the first floor of the Taipei Wellness Clinic and Resort next to the Beitou MRT station, the first visual impression is of the Hotel Royal Beitou lobby, designed by Holland McKenna. The lobby utilizes a large amount of stone and wood materials that preserve nature's imprint, a restrained expression of Beitou's unique natural environment. In contrast, the ornamental detail is in bright and vibrant tones. The hotel's textiles, glass, tableware, and lighting all impart a feeling of incomparable vitality. The second-floor Taipei Wellness Clinic and Resort reception hall has a distinct flavor all its own. The designers integrated Beitou's rich natural environment into the reception hall: arc-shaped art fixtures in the sky combine with lighting and the sound of sweet flowing water to create an outline of mountain ranges, rivers, and the flowing curves of mist. The effect causes those coming for health examinations naturally to slow down and feel the beauty of Beitou on a deep level.

The combination of the Beitou Health

Management Hospital and the Hotel Royal Beitou is an "operate and transfer" (OT) project involving Taipei City Government's commissioning of a private entity to require person-centered healthcare. It provides guests with not only high-level domestically-innovated medical center diagnostic medical imaging, aesthetic medicine and health-management consulting, but also the opportunity, during the free periods around their examinations, to sample culinary creations of the five-star head chef of the Hotel Royal Beitou that are made with organic ingredients from local growers. During their stay, guests can also participate in one-day mini-trips or in trainer-guided physical activities adapted to their physical abilities.

Hotel tourism and health centers have always been distinct. How can the model of the Beitou Health Management Hospital be used to overcome the adversity of potential shock to and deflation of the tourism market given the recent drop in tourists from Mainland China?





## Differentiated Advantages Multiply Value

"In the case of iron, if you cut bars, then their selling price must always follow the market. On the other hand, if you create vehicle panels or even steel-reinforced plastic, the worth of the end product can more than double. This is the approach of the Taipei Wellness Clinic and Resort." Beitou Health Management Hospital Superintendent Ching-Piao Tsai's analogy pithily explains the value logic of the "tourism + medicine" industry. Superintendent Tsai mentions that, although their foray into the international space was comparatively late, hotel revenues grew 78% in 2016 from 2015, despite the steep drop in visits from Mainland China. How were they able to achieve such growth amid such

unfavorable conditions? Tsai attributes their success to three great advantages of the Beitou Health Management Hospital's medical tourism model that are realized at the Taipei Wellness Clinic and Resort:

### 1. High-End Equipment and Segmented Market Differentiation

"We are not the only ones in Taiwan to develop a tourism clinic. This concept was already around almost twenty years ago, but why couldn't it attract more international tourists?"

Tsai, experienced as he is in the medical field, seems sad to recount this undeniable fact, and yet, it is only this willingness to recognize reality that can discover the key to solving the problem. He

says that when the Beitou Health Management Hospital was founded, it actively sought out areas of service that were different from those of other hospitals, resulting in an orientation toward advanced and precision health examinations.

Of course, such an orientation needs to be realized, and to that end a powerful force was brought in to support it! Ching-Piao Tsai comes from the Health-tech Imaging Center of the Veterans General Hospital. The Center was already developing full-body magnetic resonance scanning technology in 2000 and has to date accumulated the experience of interpreting the results of over 60 thousand cases across Taiwan. Today, high-end medical equipment naturally develops together along with general advances in technology.

Tsai says, "First-generation physical examinations took external measurements like height and weight. The second generation added technologies like endoscopy and ultrasound. The newest, third, generation uses 3D imaging, such as magnetic resonance imaging and computed tomography." Beitou Health Management Hospital does not just do third generation exams but really stands out in the field: it uses the highest-end 3.0 T zero-radiation magnetic resonance imaging technology and 256-slice computed tomography, which can complete rapid and low-radiation CT scans.

There are many health check clinics which claim to offer over a hundred different checks. However, they are all stuck in the first and second generations of technology, while, on the other hand, customers can enjoy health checks of medical center effectiveness at Beitou Health Management Hospital without having to queue at some large

hospital. This is precisely the type of leadership that the Beitou Health Management Hospital can achieve in Taiwan and is the primary reason it can attract high-end visitors from across the world.

## **2. Professional Staff, the Irreplaceable Soft Power**

Of course, even the finest new equipment requires professionals to provide analysis and operate it to its full potential. The Beitou Health Management Hospital treatment team largely comes from among the professional doctors of Taipei Veterans General, while those in the closely watched field of aesthetic medicine are largely composed from the team of Chang Gung Memorial Hospital. The Taipei Wellness Clinic and Resort's ability to all at once bring aboard Taiwan's superior medical talent increases its soft power and, of course, allows it to provide more professional service to satisfy customers and gain their trust.

However, there is one more indispensable element for drawing international tourists: the ability to communicate in multiple languages! Most of the medical team at the Taipei Wellness Clinic and Resort have studied abroad and so have no problem communicating in English, and they also have some Japanese-speaking staff. Clearly, however, going to the next level requires crossing more language barriers. Superintendent Tsai hopes to continue to recruit personnel fluent in Middle Eastern and other languages in order to serve guests from all over the world.

## **3. A Dual Benefit: Providing a healthy and relaxing stay**

Even more important than basic care and

attentiveness is that the hospital and hotel can work well together to provide service distinct from the rest of the market. For example, guests coming to stay at the hotel can get a bone density test and relevant consultation, such as on healthy eating habits. Similarly, guests coming for a health check or beauty treatment can choose from among the spa amenities provided by the hotel. Additionally, the Hotel Royal and Health Management Hospital hold regular brainstorming sessions to jointly develop stress reduction classes like yoga and weight loss to be offered to hotel guests.

Integrating the two sides of a hospital and a hotel is a novel, complementary, and intriguing business model, and a hotel or hospital alone would be hard put to achieve the synergistic effects that arise from their joining forces. This is the best way to increase value.

## Setting Goals and Getting Through the “Breaking In” Period

One can't help but wonder, "How can a place with such a somber, stern, and closed environment like a hospital that requires such strict controls combine with a hotel that's open 24 hours a day and where people are always coming and going?" Ching-Piao Tsai explains the matter from a different perspective, saying, "A typical person will always feel some trepidation about going to the medical center for a health exam. After all, the hospital is full of all sorts of patients with the varying potential of transmitting an infection. Going to the hospital requires close contact with those patients as well as using up time for waiting. However, at a professional, comfortable, and safe tourism facility, health checks will no

longer be cold and forbidding but will come with a degree of warmth that puts one at ease, and nobody will see getting a health check as intimidating any longer.

Early on, the location in Beitou was chosen in order to take advantage of the area's unique character while in the midst of commercially active Taipei with its fast pace of life. In fact, in addition to the immediate environment being particularly favored by nature, the location has an important feature in another area as well: it is rich in medical resources, including many medical centers and medical and nursing schools. Even more importantly, the Beitou-Shilin Science Park currently being developed by the Taipei City Government will be built around the biotech medical industry.

So, then, how is it that the integration of a scenic tourism resource and a healthcare treatment resource got through its break-in period?

Tsai speaks about the integration of the accommodation and examination services like a couple's dating relationship: it's not sweet and easy every day, and the Beitou Health Management Hospital and Royal Hotel still have to spend significant time to understand each other and gradually figure out ways to satisfy customers. He gives a simple example: "A patient must perform an enema the day before undergoing colonoscopy. Many people will have diarrhea and if they can't hold it then they may soil the bedding. However, because we are providing accommodation, we must communicate with the hotel what situations a guest may face and ask them to provide things like sanitary pads to help avoid causing cleanliness difficulties. This way the guest can feel at ease and pass the time of





bowel clearance in utmost comfort."

Floors 1 through 5 of the Taipei Wellness Clinic and Resort are medical centers while 6 through 10 are hotel accommodations. If the distinct tones of the two industries are to coexist in one big building, then there must be many adjustments and accommodations made. Superintendent Tsai smiles as he explains, "Previously, after conducting an examination, doctors would go out in their scrubs for a meal. However, tourist hotels are very image-centered, so you can imagine that hotel guests seeing people in medical clothing running around in the reception area or restaurant would think it quite strange!" To create a comfortable environment respectful of guests, the doctors

now all remove their scrubs when they leave their service areas so as not to give guests a negative impression.

Not only do the doctors have to make adjustments, the hotel chefs also have to think from the others' perspective. For example, a guest who has just had an endoscopy must be provided with liquid or soft food that is absorbed easily to replenish strength, but the hotel side did not initially offer these kinds of options; it was only after a round of coordination and communication that a good solution was found.

Because everyone is working together toward a common goal, they are all willing to sit down and talk through any situation that

arises and overcome these previously unknown problems.

## Becoming Leader of the Pack - A Determination to Be the "Taiwan Semiconductor Manufacturing Co." of the Industry

"Our machines can discover many congenital diseases that are ordinarily difficult to detect," explains Superintendent Tsai, "including cavernous hemangioma and lung cancers even smaller than a centimeter. All of these can be treated early with early detection from the machines." Tsai says that all employees who have

worked at the Taipei Wellness Clinic and Resort for a full year can receive a free full-body health scan so that all team members can be healthy and provide the most professional service.

Taiwan has a high standard of medical treatment, but Superintendent Tsai believes that there is much room for growth. He says that he wants not just the Taiwanese public to be able to enjoy international-grade medical service and lightheartedly go for a mini health tour, but he wants to become the "Taiwan Semiconductor" of the medical tourism industry and play the leading role in enabling the tourism and medical industry to grow together. **CPC**





## HR Departments at Goldman Sachs and EY are Racking Their Brains

# Knowledge Must be Increased to Capture the Restless Hearts of Millennials

The question of how to attract and retain talented millennials has grown in importance to companies as the average age of their middle management has decreased. Large foreign companies have taken successive measures to attract employees from this generation who have grown up in a digital environment and whose thinking is so different from baby boomers. Wall Street bankers like Goldman Sachs have accelerated the rate of promotion of young talent and are giving them appropriate time off. The accounting firm EY (Ernst & Young) has increased work flexibility, and manufacturing companies are also using new technologies to lure millennials to join their ranks.

It is estimated that millennials (those born from approximately 1982 through 2004) will make up 50% of the worldwide labor force by 2020. Today, most millennials are in their early thirties or are almost thirty, and they are gradually becoming companies' loyal management core. They just have a different work style and are better at adapting to the rapid changes of the digital world.

### “Feedback Mechanisms” as an Incentive

Millennials value the feeling of their suggestions being taken seriously. They like the feeling of “making a difference” and expressing

their values. They hope to receive feedback on how they work and to use time efficiently. They aspire to work-life balance even as they value meaningful compensation and pursue career opportunities.

In order to retain the best young talent, Goldman Sachs has shortened its promotion track and reduced the amount of busywork that has traditionally fallen to its young employees. It has also begun to improve its evaluation mechanisms, incorporating suggestions and feedback and focusing further on employee growth and development. Goldman has introduced a "360 Degree Feedback" annual review, which includes an emphasis on qualitative feedback: what employees are doing well and where they can improve, as opposed to simple ratings. In addition to summarizing employee performance, managers must also provide evaluations categorizing performance areas by level, such as outstanding, good, and needs improvement, in order to improve the employee experience.

Goldman has also limited junior staff work time. JP Morgan has launched a "Pencils Down" initiative requiring employees to take time off on the weekends. In March, Deutsche Bank also introduced a new plan mandating that its vice presidents oversee a group of junior analysts and assistants whom they speak with one-on-one.

Global consulting firm and accounting





powerhouse PwC even began helping junior staff to repay student loans last year in July. Each employee can receive US\$1,200 a year for up to six years. This serves as a way to retain talent as well as to attract millennials.

Accounting firm EY, on the other hand, promotes work flexibility and has adopted it as a core concept for building a high-performance team. EY also uses team member flexibility to adapt and respond to short-term demand. EY also directly addresses unique millennial qualities like their attention to compensation and desire to

participate.

## **Satisfying the "Change Maker" Mentality**

In the manufacturing industry, 3M last year surpassed Google as the company where American millennials most want to work. What is 3M's secret? It is simply to correlate "what 3M can give" with "what millennials want." Through research, 3M has learned that millennials have a thirst for freedom, training, and multifaceted leadership. They also hope to be able to make a

difference.

3M has set up a mentoring system to provide suggestions, science-based training, and a leadership plan. They also allow employees to choose for themselves which projects they wish to participate in and to flexibly plan a large amount of their work time. These measures allow millennials to better follow their desires. They also go further to satisfy the millennial desire to make a contribution to the environment, society, or their neighborhood. For example, they held a contest to come up with ideas for energy conservation, and they permit employees to spend 15% of their time on matters of social influence of their choice.

The manufacturing industry also desperately

wants to redefine its image as a high-tech industry and to recruit millennial talent. It uses new technologies such as mobile devices, multimedia, and virtual reality to recruit talent and let these young people know that what kind of work is involved and that the work environment is no longer the dark and dirty one of the past, nor is it all “dirty hands” work.

Experts point out that understanding how your company can connect with the millennial generation is extremely important. Because millennials face greater financial pressure than the baby boomers did, they want to know what kind of work they will have, what training is available, and what sorts of coaching will enable them to rapidly advance in their careers. *CPC*

## What Do Millennials Want Out of Work?

- They view their careers positively but expect to be able have a positive influence on society
- To have an influence on their local community through their employer
- Prefer sincere and direct conversation non-isolating environments
- To have the work time flexibility of a freelancer with the stability of full-time work

Source: Deloitte Millennial Survey 2017

## Quick Reading

# The Front Line for Design Thinking

## Listen to the True Opinions of Ordinary Consumers

**Tip 1:** Carefully observe how ordinary consumers act, their thought patterns, the emotions they express... etc. Occasionally use interviews to ascertain their requirements. All these insights are starting points for design.

**Tip 2:** As long as you can grasp ordinary consumers' true opinions and plan based on those, you will be able to develop products or services that make consumers' lives easier, even if it goes against the "common sense" of your industry practices or the market.

**Tip 3:** One universal keyword has emerged over and over again throughout the course of interviewing businesses that promote design thinking: "co-creation."

Ordinary companies are not the only ones paying attention to the results of design thinking. Even large consultancies like Boston Consulting Group and Accenture have expressed high interest in this approach. In order to help its internal consultants learn the techniques of design thinking, Accenture goes as far as to hold regular seminars and brings in knowledgeable professionals from outside the company to participate.

The American company IDEO uses design thinking techniques in its consulting services to strengthen its expansion into the Japanese market, and domestic Japanese consulting firms like CIA and PLUG are using the same methods to develop their domestic market. In the fields of architecture and design, the PLANTEC Group has announced on its official website that they will present themselves in a new way, changing from being construction industry architects into business design architects.

## Unearthing the True Opinions of Everyday Consumers

At times, ordinary consumers themselves may

not even be fully aware of their real needs. This makes it impossible for a company to undertake its work entirely logically and causes an increase in underachieving efforts. However, as long as you can accurately be aware of the true opinions of ordinary consumers and strategize from that, you will be able to develop products or services that make consumers' lives easier, even if it goes against the "common sense" of your industry practices or the market.

Analyzing, understanding circumstances and then forming a plan, creating prototypes and testing them, and then continuing to analyze and plan: This is the pattern of thinking that should always be operating unconsciously in the

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mind of a superior designer. Perhaps because of this, people often say "It's difficult to understand designers' thinking." But, if you must lay down a solid definition of design thinking, it will naturally come out as something as simple as "person-centered thinking."

Of course, many Japanese companies must have centered their product development around ordinary consumers in the past. Perhaps that used to be the case, but what about now? Do they not now just go through the motions of taking a consumer survey and then assume that they have heard the real opinions of everyday consumers? In reality, consumers' true opinions are not that easy to perceive. If a company cannot grasp the real potential needs of everyday consumers, then it will naturally be unsuccessful at developing new products and services.

Can design thinking only be done by a minority of specialist talent like experienced

designers? The answer is no.

## Using "Design" as an "adhesive"

In order to promote co-creation, businesses are taking focus groups seriously, and designers' new task is to draw out and gather true consumer opinions and compile it in a certain area. It is, in other words, to use the universal language of design to link together scattered participants within and without the company, letting "design" play the role of "adhesive". Thus, the designers of today and in the future must have the professional skills of facilitators.

More and more companies, like Yamaha, Fujitsu, and Fuji Xerox have specialized workshop meeting rooms. The companies hope to create conditions unique from traditional meeting rooms, creating an atmosphere more conducive to discussion and more inviting to participants, so they can obtain better results.

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