

Russell Reynolds Associates' *Conversations on Convergence* features the thoughts and ideas of top decision makers in the world of convergence. We are helping to cut through the hype around this topic by speaking directly with those who are defining the future of this industry. Read them all on our Web site at www.russellreynolds.com.



Conversations on Convergence: No. 2, 2009



Nikesh Arora, President EMEA, Google

As President of Google EMEA, Nikesh manages and develops Google's operations in the European, Middle Eastern and African markets. He is responsible for creating and expanding strategic partnerships in these regions for the benefit of Google's growing number of users and advertisers.

With a background as an analyst, Nikesh's main areas of focus have been consulting, IT, marketing and finance. Prior to joining Google, he was chief marketing officer and a member of the management board at T-Mobile. He has also held management positions at Deutsche Telekom, Putnam Investments and Fidelity Investments in Boston.

Nikesh is a graduate of the Institute of Technology in Varanasi, India. He also holds an MS and CFA certification from Boston College, and an MBA from Northeastern University.

Q. What is your assessment of the current state of the convergence space?

A. If you Google the word "convergence," you get more than 30 different definitions of it. So if you're asking me if convergence is going to happen, I say: Absolutely! Just choose your definition, some of them are certainly going to come true. "Convergence" is one of those evergreen words, we've been talking about it for ten years already, and we'll be talking about it for the next ten, too.

"We'll be talking about convergence for the next ten years."

People talk about network convergence, device convergence: I work for a company that spends a lot of time thinking about the Internet, and we think the Internet will become a point of convergence. We try to learn from what people are doing on the Internet, and look for convergence opportunities.

Q. So, what are people doing on the Internet?

A. They are searching for information: There are over 1 billion searches done every day. They

are communicating: People today speak for about 1,800 minutes every month, they send 60 billion e-mails every day, they exchange 23 billion Instant Messages every day. They are participating in e-commerce in some way, whether it's selling, buying, or posting an opinion about a product. And of course, they are being entertained with videos, music, games and more. The Internet has gone from being a "nice-to-have" to being a "must-have" for so many people. People are doing most of the same activities as before but are now doing it on the web.

Q. What are some of the implications?

A. I think that many marketers in the world today do not understand what is going on around them. What's happening now is a revolution as big as the Industrial Revolution was. Something huge is underway. There are 1.2 billion people on the Internet today — that means if the online community were a country, it would be the fifth largest country in the world. Think about it: A billion people connected by the same need! This is new, this is big. Marketers have never really had access to so many people in one place.



Just think about advertising, for example: Advertisers want their ads to reach as many “eyeballs” as possible. A billion people is a lot of eyeballs. “Regular” advertising has been

“Many of the marketeers in the world today do not understand what is going on around them.”

growing at around 2-6 percent for the last few years but online advertising has been growing at 30 percent. Surfing the Internet is now the second most popular activity after watching television, so it’s logical that television advertising is now starting

to experience a shift in focus. It’s very much like what happened in the music industry with the rise of music downloads on the Internet. Advertisers are also now starting to focus on smart phones and what they can offer as a medium.

The opportunities to engage this community are endless, and that’s what really needs to be done. Companies need to engage their users. They need to learn from their users, and take that information and transform it into actions that help their products and their brand.

It works the other way, too: The Internet is the first global distribution channel without cost. With

“The Internet is the first global distribution channel without cost.”

the Internet, for example, a music group can grow its fan base and demonstrate its success without being signed to a record label. The entire distribution model is shifting—now

you find successful talent and market it, rather than finding talent and marketing it to try to make it successful.

will be on those individuals who can combine this knowledge with cutting-edge innovation. The challenge as organisations grow is to remain an attractive employer for these more entrepreneurial innovative individuals.

Q. What do you see on the horizon?

A. Every element of the “Four Ps” we learned in marketing class is going to be impacted by the Internet. It’s no coincidence that the top three new brands that have developed in the last 10 years—Amazon, eBay, and Google—have developed online. Product performance is going to become even more relevant, because people seem to be getting better at ignoring advertising.

At the end of the day, strong brands tend to stay strong. Innovation is key. Your competition probably won’t come out of a large cap company—it will arise out of a small innovative player. The founders of Google still behave like start-up entrepreneurs, looking outside for innovation through acquisition.

All of the changes we’re talking about are going to take eight, ten, even fifteen years to happen. You need to ask yourself: Where do we want to be positioned ten years from now, and what do we need to do today to get there? Because ten years from now it will be too late to take action. Someone else will have figured it out already.

Q. What are the human capital implications

A. In the next couple of years, a group of people will emerge with first-hand experience of convergence who understand how to leverage multiple platforms and geographies. This group will be highly in demand but the real premium

About Russell Reynolds Associates

Leadership. In today's ever-changing global business environment, success is driven by the talent, vision and leadership capabilities of senior executives.

Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to identify, assess and recruit senior executives and board members to drive long-term growth and success. We value teamwork, serving our clients with a collaborative approach that spans our international network of sector and functional experts.

Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what makes an effective leader ensure that our clients secure the best leadership teams for the ongoing success of their businesses. For more information, please visit us at www.russellreynolds.com.

Our Communications and Convergence Practice

The Russell Reynolds Associates' Communications and Convergence Practice sits at the intersection of dynamic digital content, which is reshaping the way we work and play, and wireless and broadband networks, which keep us connected seamlessly around the globe. We also have significant experience in helping our clients recruit in the managed services and outsourcing areas. The combination of our experience with service providers as well as infrastructure solution providers (who design, build, and deploy their platforms and networks) allows us to work at the forefront of technologies including IPTV, WiMAX, FTTx, IMS, Ethernet, 3G/4G and VoIP. Finally, our success with assisting media and content providers and aggregators to leverage these powerful new technologies positions us at the heart of the convergence movement as the key human capital solutions provider on a global basis.

© 2009 Russell Reynolds Associates, Inc. Trademarks and brands mentioned herein are the property of their respective rights holders.

Americas

Atlanta

1180 Peachtree St., NE
Suite 2250
Atlanta, GA 30309-3521
United States of America
Tel: +1-404-577-3000

Boston

One Federal Street
25th Floor
Boston, MA 02110-1007
United States of America
Tel: +1-617-523-1111

Buenos Aires

Buenos Aires Plaza
Manuela Sáenz 323
Seventh Floor, Suites 14 and 15
C1107CBP Buenos Aires
Argentina
Tel: +54-11-4118-8900

Chicago

200 South Wacker Drive
Suite 2900
Chicago, IL 60606-5802
United States of America
Tel: +1-312-993-9696

Dallas

8401 N. Central Expressway
Suite 650
Dallas, TX 75225-4404
United States of America
Tel: +1-214-220-2033

Houston

600 Travis Street
Suite 2200
Houston, TX 77002-2901
United States of America
Tel: +1-713-754-5995

Los Angeles

11100 Santa Monica Blvd.
Suite 350
Los Angeles, CA 90025-3384
United States of America
Tel: +1-310-775-8940

Menlo Park

2500 Sand Hill Road
Suite 105
Menlo Park, CA 94025-7015
United States of America
Tel: +1-650-233-2400

Mexico City

Torre Reforma
Paseo de la Reforma
115-1502
Lomas de Chapultepec
11000 México, D.F.
México
Tel: +52-55-5249-5130

Minneapolis/St. Paul

225 South Sixth Street
Suite 2550
Minneapolis, MN 55402-3900
United States of America
Tel: +1-612-332-6966

New York

200 Park Avenue
Suite 2300
New York, NY 10166-0002
United States of America
Tel: +1-212-351-2000

San Francisco

101 California Street
Suite 2900
San Francisco, CA 94111-5829
United States of America
Tel: +1-415-352-3300

São Paulo

Av. Nações Unidas, 8.501
11º Andar
05425-070 São Paulo
Brazil
Tel: +55-11-3566-2400

Stamford

301 Tresser Boulevard
Suite 1210
Stamford, CT 06901-3250
United States of America
Tel: +1-203-905-3341

Toronto

Scotia Plaza, Suite 3410
40 King Street West
Toronto, ON
M5H 3Y2
Canada
Tel: +1-416-364-3355

Washington, D.C.

1701 Pennsylvania Avenue, NW
Suite 400
Washington, D.C. 20006-5810
United States of America
Tel: +1-202-654-7800

Asia/Pacific

Beijing

Suite 1320, China World Tower I
No. 1 Jian Guo Men Wai Avenue
Beijing 100004
China
Tel: +86-10-6505-2688

Hong Kong

Room 1801, Alexandra House
18 Chater Road Central
Hong Kong
Tel: +852-2523-9123

Melbourne

15th Floor
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia
Tel: +61-3-9603-1300

Mumbai

Unit 9(A), Grand Hyatt Plaza
Santacruz (East)
Mumbai 400 055
India
Tel: +91-22-6733-2222

New Delhi

A4, Tower A
The Qutab Hotel and Apartments
Shaheed Jeet Sing Marg
New Delhi 110 116
India
Tel: +91-11-4603-4600

Shanghai

Room 4504, Jin Mao Tower
88 Century Avenue
Pudong, Shanghai 200121
China
Tel: +86-21-6163-0888

Singapore

2 Shenton Way
#08-01 SGX Centre 1
Singapore 068804
Singapore
Tel: +65-6225-1811

Sydney

Level 40 Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
Tel: +61-2-9258-3100

Tokyo

Izumi Garden Tower 14F
1-6-1 Roppongi
Minato-ku, Tokyo 106-6014
Japan
Tel: +81-3-5114-3700

Europe

Amsterdam

World Trade Center
Tower H, 18th Floor
Zuidplein 148
1077 XV Amsterdam
The Netherlands
Tel: +31-20-305-7630

Barcelona

Edificio Prisma
Avda. Diagonal, 613, 2ªA
08028 Barcelona
Spain
Tel: +34-93-494-9400

Brussels

Boulevard St.-Michel 27
B-1040 Brussels
Belgium
Tel: +32-2-743-12-20

Copenhagen

Østergade 1, 1st Floor
DK-1100 Copenhagen K
Denmark
Tel: +45-33-69-23-20

Frankfurt

MesseTurm
60308 Frankfurt/Main
Germany
Tel: +49-69-75-60-90-0

Hamburg

Stadthausbrücke
1-3/Fleethof
20355 Hamburg
Germany
Tel: +49-40-480-661-0

London

24 St. James's Square
London SW1Y 4HZ
United Kingdom
Tel: +44-20-7839-7788

Madrid

Calle Miguel Angel, 11
Seventh Floor
28010 Madrid
Spain
Tel: +34-91-319-7100

Milan

Via Mascheroni, 5
20123 Milan
Italy
Tel: +39-02-430-0151

Munich

Ludwigstraße 7
80539 Munich
Germany
Tel: +49-89-24-89-81-3

Paris

7, Place Vendôme
75001 Paris
France
Tel: +33-1-49-26-13-00

Stockholm

Hamngatan 27
SE-111 47 Stockholm
Sweden
Tel: +46-8-545-074-40

Warsaw

Belvedere Plaza
ul. Belwederska 23
00-761 Warsaw
Poland
Tel: +48-22-851-68-38

Zürich

Genferstrasse 21
8002 Zürich
Switzerland
Tel: +41-44-447-30-30