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The Conglomerate Strikes Back: *How Data, AI, and Decentralised Leadership Are Reviving the Corporate Giant*

From Discount to Premium

For decades, conglomerates were viewed as lumbering dinosaurs—unwieldy, unfocused, and burdened by internal complexity. Investors punished them with the so-called “conglomerate discount”, assuming that no single leadership team could effectively manage disparate businesses under one roof.

But the tides are turning. In an era defined by industry convergence, digital integration, and AI-enabled insight, conglomerates are discovering that scale and diversity can now be competitive assets rather than liabilities. The age of the conglomerate premium has quietly begun. In addition, large conglomerates are adapting more effectively to the shifting geopolitical situation landscape – marked by rising economic nationalism and trade wars – by building more resilient supply chains and leveraging lobbying power to influence regulations and policies.

The Data Dilemma

The long-promised synergies of conglomerates have remained elusive. Many still struggle with internal silos, rigid data policies, and incompatible systems. Even in sectors where cross-industry collaboration is critical—such as smart cities or healthcare—efforts to share data are often hindered by misaligned incentives or governance friction.

The opportunity cost is enormous. Imagine if property developers could partner seamlessly with mobility providers to optimise urban design, or if banking data could be harnessed to flag early signs of cognitive decline. The technological engines now exist, but the data-sharing architecture still lags behind.

Trading Houses Find a Way

Yet there are bright spots. Some Japanese trading houses, historically diversified by design, are now realising data-driven synergies across business lines. In Southeast Asia, they are developing integrated industrial parks and smart cities, blending expertise in energy, mobility, and real estate under a unified strategic vision. These are not joint ventures in name only; they represent genuine cross-unit collaboration, made possible by aligned data systems and purpose-driven integration.

Government-led efforts are also gaining traction. In healthcare, the sharing of anonymised data across hospitals, insurers, and policymakers is beginning to deliver systemic efficiencies. In finance, unexpected insights are emerging—from internet banking patterns that reveal early signs of dementia, to cross-sector signals that drive innovation in elderly care.

AI: The Internal Integrator

The rise of generative AI could fundamentally transform conglomerates. By ingesting data across divisions—from intellectual property to operations to customer insights—AI can detect patterns, spark innovation, and generate thousands of viable business ideas in minutes. What once took months of internal coordination can now be achieved in seconds.

This is more than efficiency. AI offers a new model of creative integration—surfacing connections that human silos overlook, without forcing cultural convergence or endless alignment meetings. In this light, conglomerates don't need to be restructured – they need to be rewired.

Building the Premium

In emerging markets, this new logic is already producing winners. Take VinGroup in Vietnam: spanning retail, real estate, and EV manufacturing, it has evolved into a multi-industry platform capable of generating and leveraging data across the entire value chain. Its mobility services collect user behaviour that informs smart city development—an advantage that few pure-play rivals can replicate.

Across India and Southeast Asia, similar patterns are emerging. As governments court investment while maintaining complex regulatory environments, conglomerates are often best positioned to navigate policy ambiguity, scale new ventures, and capture market share—faster than their startup counterparts.

What Separates the Best

The highest-performing conglomerates are not merely bigger—they are strategically coherent. What sets them apart is leadership: CEOs who can define a group-wide purpose that transcends sectors, allocate capital accordingly, and foster collaboration without forcing conformity.

As industry boundaries blur, silo-specific strategies matters less than a shared sense of direction. Asset allocation becomes an act of orchestration, not just budgeting. Purpose replaces rigid planning as the compass for decision-making.

From Creative Destruction to Creative Integration

Traditional corporate strategy focused on creative destruction – divest, acquire, pivot. Today's leaders are turning to creative integration—combining existing assets and capabilities in new ways to generate fresh value. Diversification comes first, integration follows. It's a more fluid, experimental approach, but no less disciplined.

This represents a shift from the old portfolio mindset. Instead of simply choosing which businesses to back or exit, leaders are rethinking how the pieces fit together. The future belongs to firms that can continually recombine their components—not just add or subtract them.

Rethinking Corporate Venturing

Corporate venture capital (CVC) was intended to address the innovation challenge. In the West, it often works – modular organisations can more easily absorb and scale startups. In Asia, however, results have been mixed. Highly integrated corporate structures make it harder for external ventures to plug into existing systems.

Startups selected by CVC units may appear promising, but they often stall post-investment—struggling to access networks, customers, or internal capabilities. In such environments, internal new business creation, supported by cross-unit collaboration, may offer a more viable path forward.

The Empire Rewrites Itself

The modern conglomerate is not a relic. With AI as connective tissue, data as a shared resource, and leadership grounded in purpose rather than control, the conglomerate is being reborn as an orchestrator of ecosystems.

The discount is fading. The premium is rising. And the playbook is being rewritten.

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Author

Kohki Sakata, Partner of IGPI Group & CEO of IGPI Singapore

After joining Cap Gemini and Coca Cola, Kohki joined Revamp Corporation where he managed projects on global expansion and turnaround in various sectors including F&B, healthcare, retail, IT, etc. After joining IGPI, he has managed projects mainly on global expansion and cross border M&A in various sectors such as logistics, IT, telecom, retail, etc. In addition to his broad experience in implementing solutions that has been developed in Western countries, he has developed multiple methods to turnaround Asian companies with focus on setting clear vision and employee empowerment. Kohki has proven the practicality of these methods by turning around Asian companies not only as an advisor but also as senior management.
He graduated from Waseda University Department of Political Science and Economics and IE Business School.

Shivaji Das, Managing Director of IGPI Singapore

Shivaji has over 20 years of strategy consulting experience, specializing in New Business Models, Innovation Roadmaps, and Sustainability Journeys. He has worked with private and public sector clients across 25 countries in sectors like Technology, Semiconductors, Chemicals, Healthcare, Renewable Energy, and Construction. Previously, Shivaji was a Partner and Managing Director-APAC at Frost & Sullivan. His paper on Artificial Intelligence was presented at CAINE-2000 in Hawaii, USA. He is the author of seven acclaimed travel, art and business books including *The Visible Invisibles* and *Rebels, Traitors, Peacemakers* (both Penguin Random House), as well as *The Great Lockdown: lessons learned during the pandemic from organizations around the world* (Wiley, USA).
He is an alumnus of IIT Delhi and IIM Calcutta.

Issued by: Industrial Growth Platform Pte. Ltd. (IGPI Singapore)
137 Telok Ayer Street #05-01 Singapore 068602
TEL：+65 6226 1524　URL：http://www.igpi.com.sg

