INSEAD

The Business School
for the World®

Digital Transformation of Strategy and Management
IAA France, Grandes Conférences Carrière
14 March 2017

Peter Zemsky
Deputy Dean
Eli Lilly Chaired Professor of Strategy and Innovation
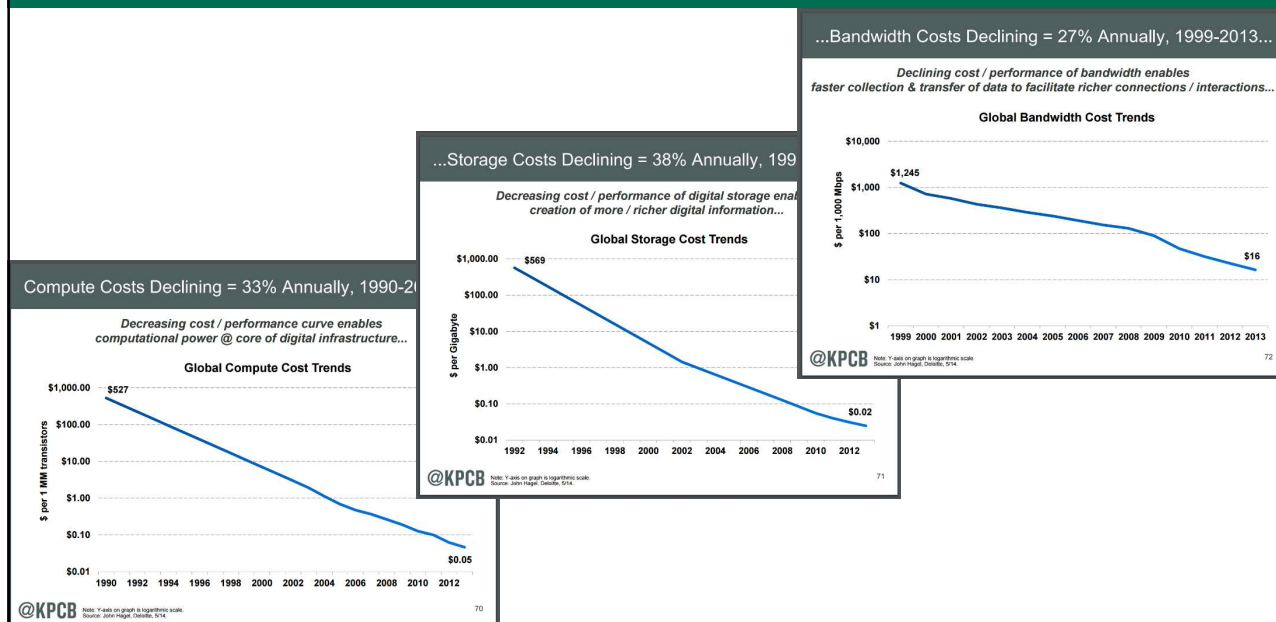
From BRICS to Clicks

World Economic Forum Annual Meeting

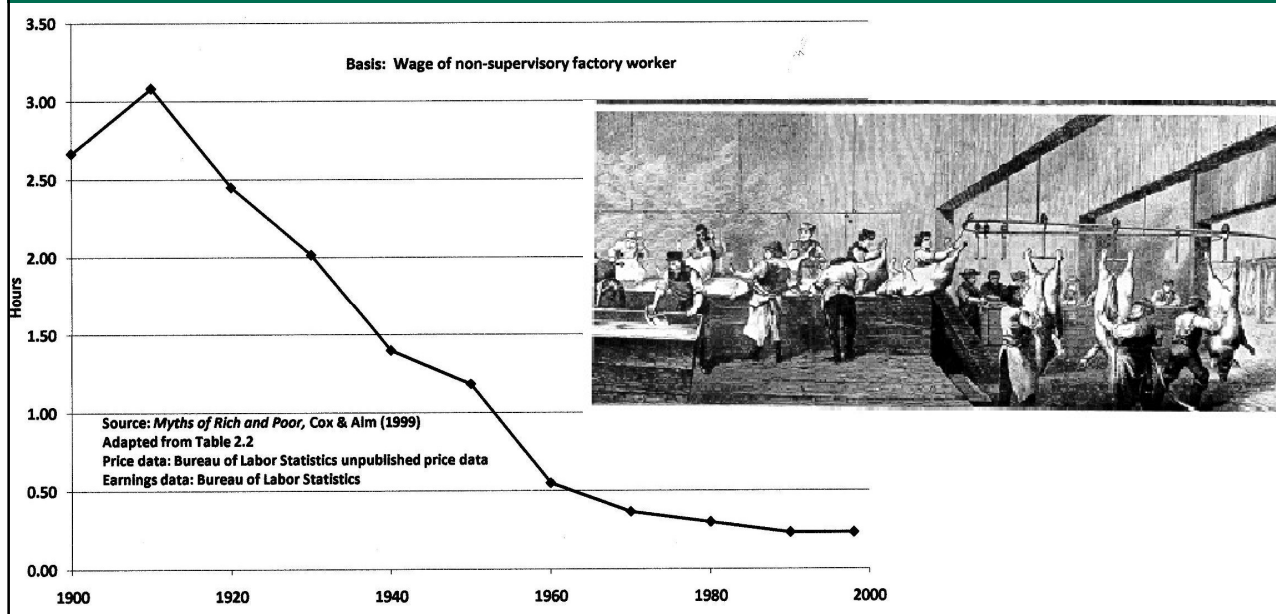17-20 January 2017 · Davos-Klosters, Switzerland

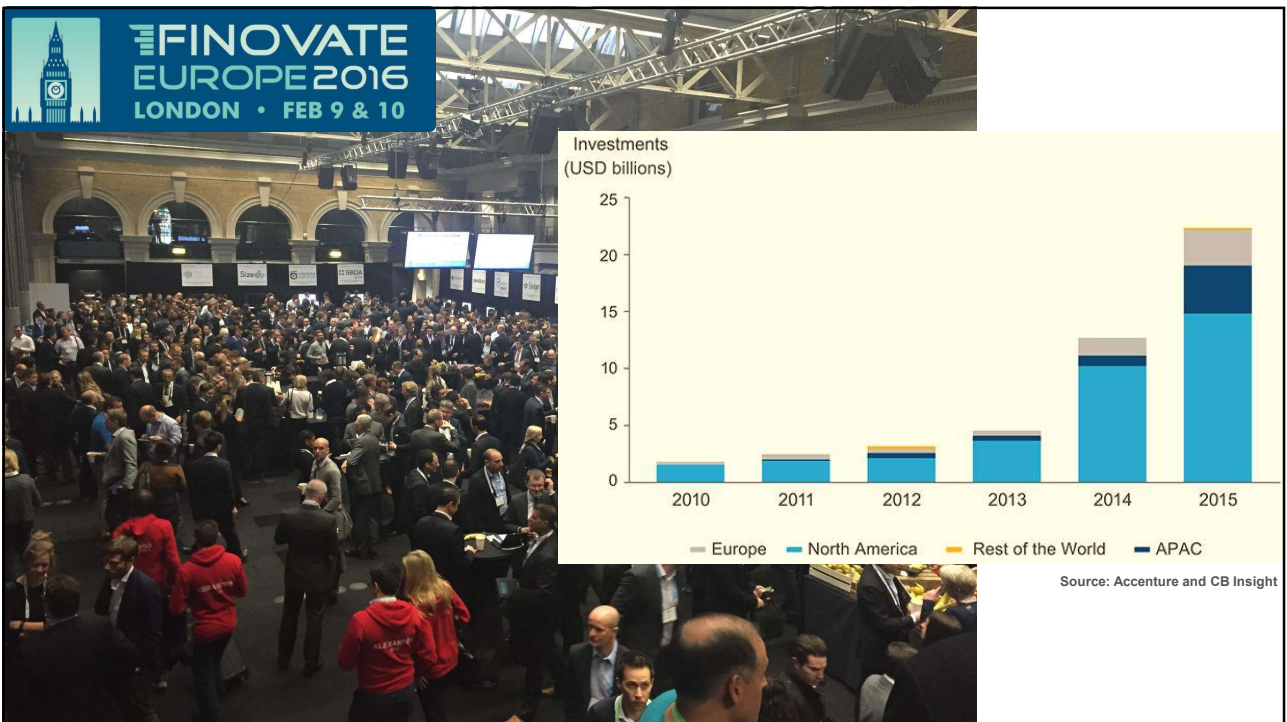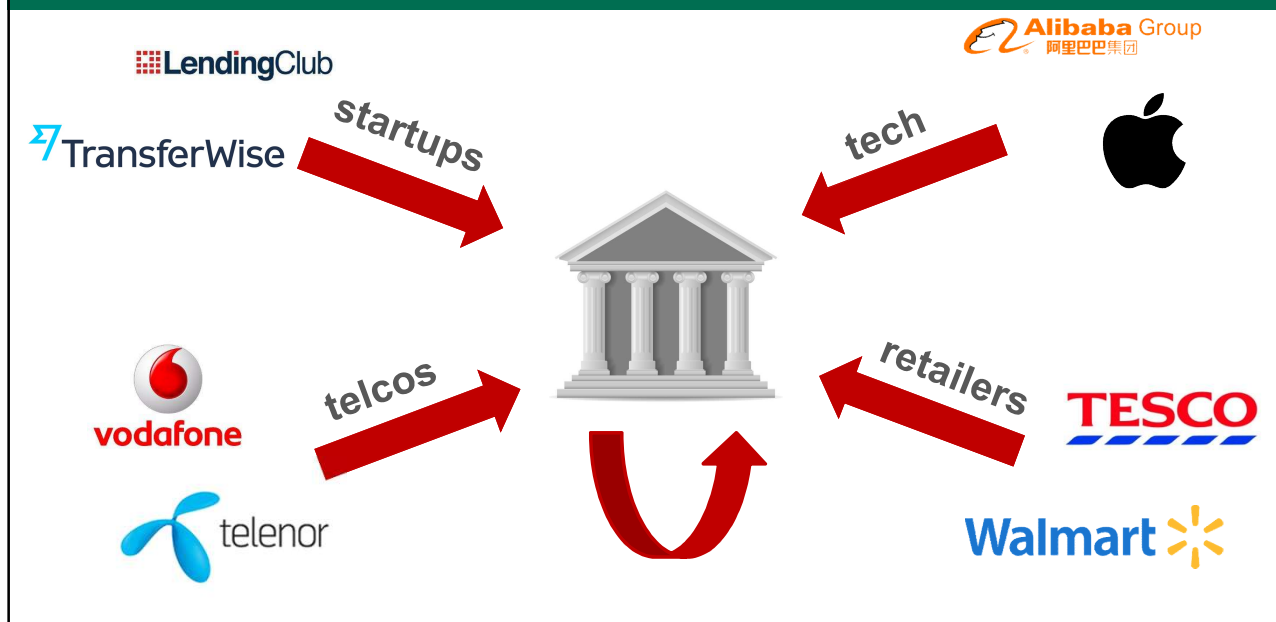**BRICS** 5 major emerging national economies

| BRAZIL | RUSSIA | INDIA | CHINA | South Africa |

A Digital Industrial Revolution

...Bandwidth Costs Declining = 27% Annually, 1999-2013...

Declining cost / performance of bandwidth enables faster collection & transfer of data to facilitate richer connections / interactions...

Global Bandwidth Cost Trends

...Storage Costs Declining = 38% Annually, 199...

Decreasing cost / performance of digital storage ena... creation of more / richer digital information...

Global Storage Cost Trends

Compute Costs Declining = 33% Annually, 1990-2...

Decreasing cost / performance curve enables computational power @ core of digital infrastructure...

Global Compute Cost Trends

Hours of work to buy a 3 pound chicken in US

Basis: Wage of non-supervisory factory worker

Source: *Myths of Rich and Poor,* Cox & Alm (1999)
Adapted from Table 2.2
Price data: Bureau of Labor Statistics unpublished price data
Earnings data: Bureau of Labor Statistics

Source: Accenture and CB Insight

Disruptive threats for banks

startups

tech

telcos

retailers

Disruptive threats: Bankers assesment of high threat

41% startups

tech 45%

27% telcos

retailers 18%

31%
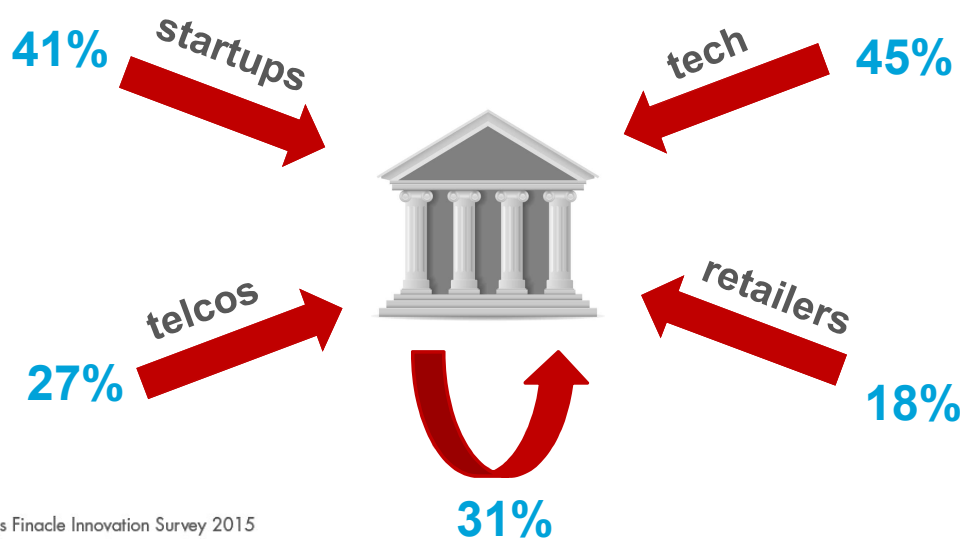
Source: Efma-Infosys Finacle Innovation Survey 2015

Red vs Blue management?

Traditional IT practices

Traditional strategy practice

Online dress rental!

Linear view of strategy

Environment (analysis)	→	Strategy (formulation)	→	Company (execution)	→
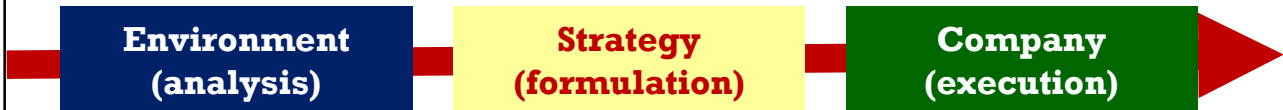
Strategy as an ongoing agile process
Lean Startup

"Measure"

Environment (analysis)

Company (execution)

Strategy (formulation)

"Build"
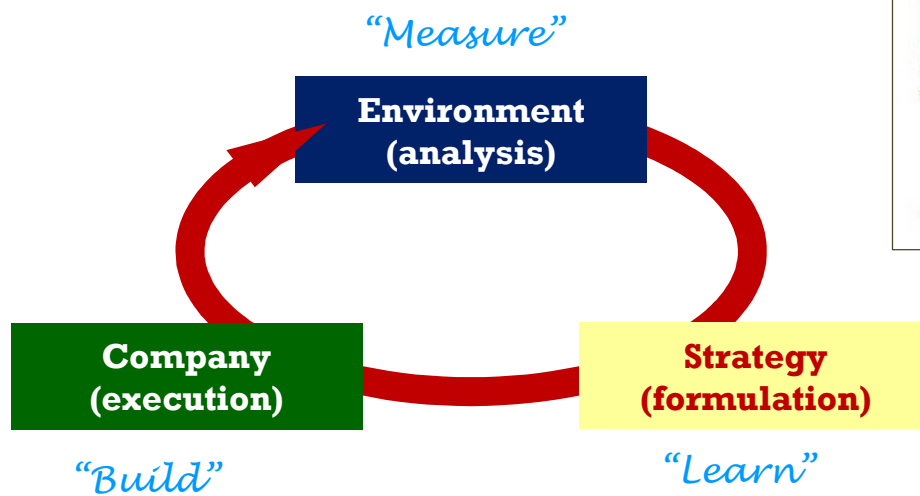
"Learn"

FAIL.
LEARN.
SUCCEED.

BlaBlaCar

INSEAD Pioneers

1957
1st Pan-Europe business school

1959
1st one-year MBA Programme

1968
1st Executive Education Programme

1975
1st business simulation game – MarkStrat

2000-2010
Singapore and Abu Dhabi Campus Open
1st globally integrated business school

Where to Next?

MOOC Ground Zero

SEPT. 26 ~ DEC. 16, 2011

INTRODUCTION TO

Artificial Intelligence

You can join Stanford's AI class online, worldwide, this fall!
Get a certificate matching your skills to the Stanford grading curve!

Disruption!

"Nothing has more potential to unlock a billion more brains to solve the world's biggest problems. And nothing has more potential to enable us to reimagine higher education than the massive open online course, or MOOC…It will change teaching, learning and the pathway to employment. "There is a new world unfolding," said MIT President Reif, "and everyone will have to adapt."

- Thomas Friedman, "Revolution Hits the Universities"
   New York Times, January 2013
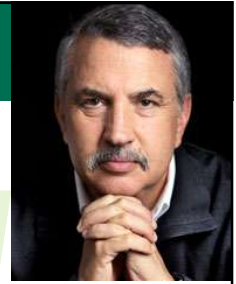
Jump on the MOOC bandwagon?
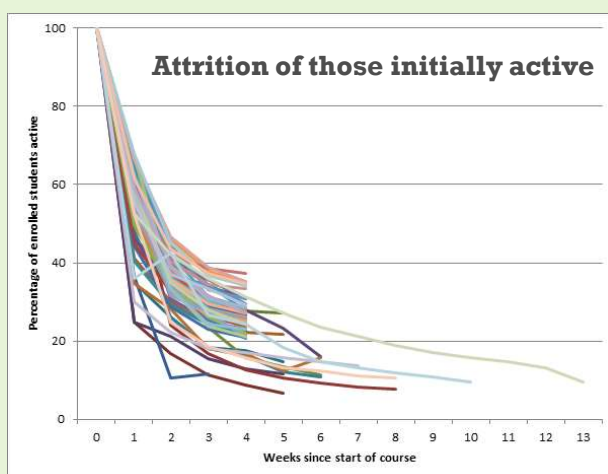

coursera
education for everyone

Disruption?

"Experts in given fields [will] broadcast lessons for pupils within the many schoolrooms of the public school system, asking questions, suggesting readings, making assignments, and conducting tests. This mechanizes teaching and leaves the local teacher only the tasks of preparing for the broadcast and keeping order in the classroom."

From a report on the impact of radio on
public education in 1938

Disruption?

Attrition of those initially active

(Chart: y-axis "Percentage of enrolled students active" from 0 to 100; x-axis "Weeks since start of course" from 0 to 13)

"A medium where only self-motivated, Web-savvy people sign up, and the success rate is 10%, doesn't strike me quite yet as a solution to the problems of higher education."

- Sebastien Thrun, August 2013

New technologies often need initial segments

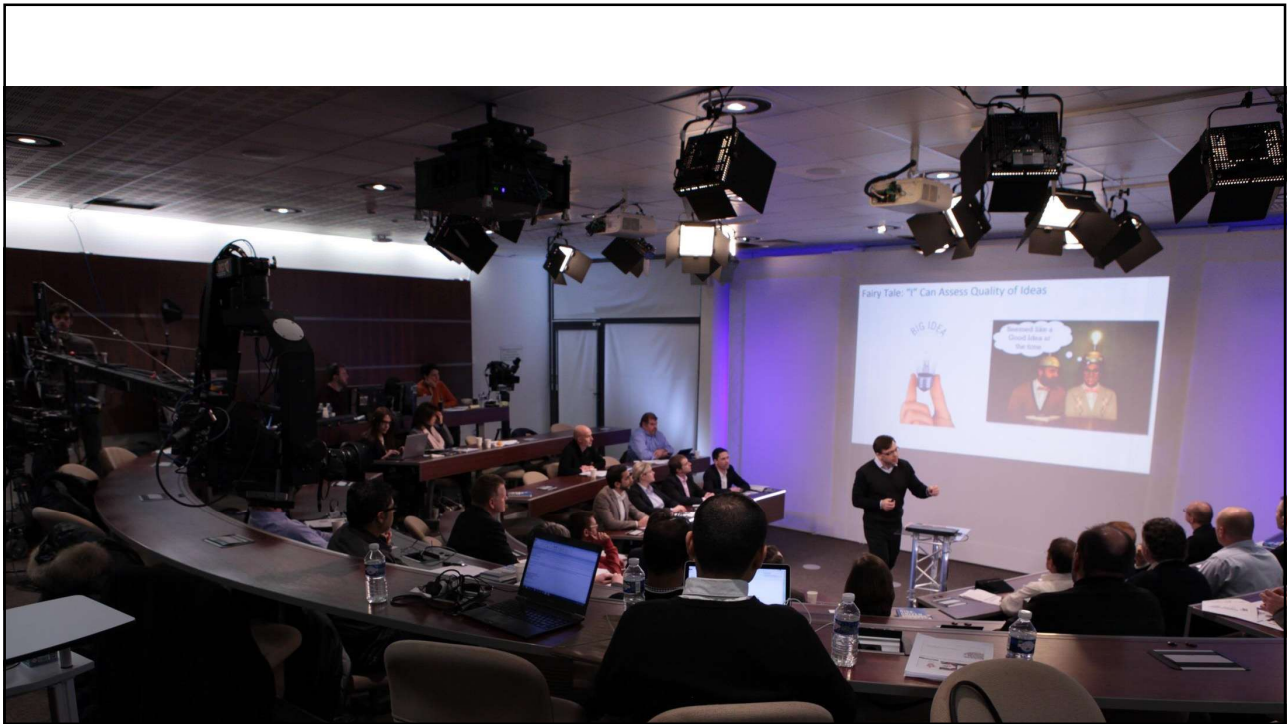Graphical user interface
and desktop publishing

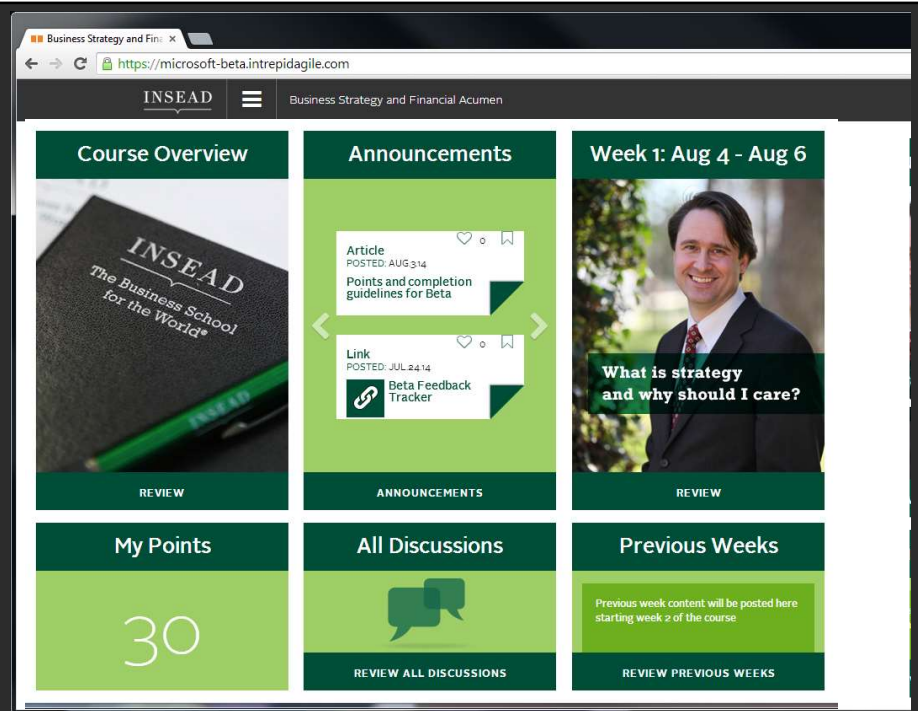Electric vehicles and
high performance segment

Microsoft Renewal

**Global Client Executives
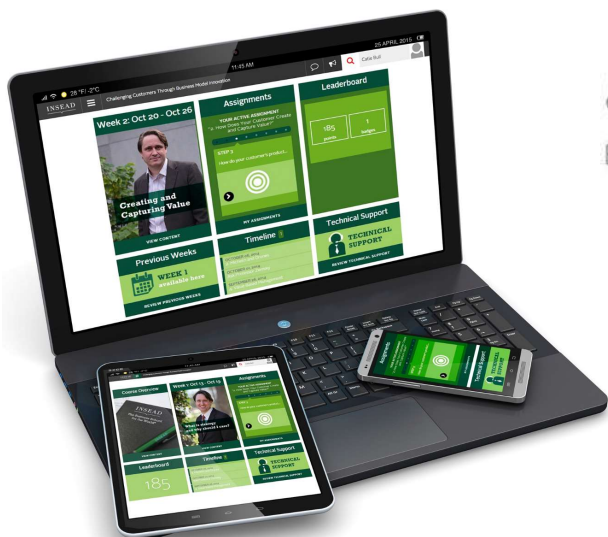Business Acumen**

Mobile First, Cloud First.

MSFT
First Fully
Customized
"Corporate
MOOC"

August, 2014

It works!

Digital Transformation at Telenor

150 senior leaders in person
2,500 middle managers online

Our Distinguished Panelists

INSEAD
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Rémi Bollack (IEP'93Feb), President at PremiumPeers

Ahmad Hassan (MBA'88D), Partner - Digital Transformation Practice at Heidrick & Struggles International

Nicolas Medioni (MBA'99D), Fondateur at TALENTSQUAD

Stéphane Viallet (MBA'05D), VP EMEA Strategic Partners at salesforce.com France SAS

Warning:
Your MBA has expired

INSEAD Pioneers:
Degree as a Service

Online LLL: Strategy in and age of Digital Disruption

Beta run: October-November, 2016

Current run: February-March, 2017

Next run: September-October, 2017

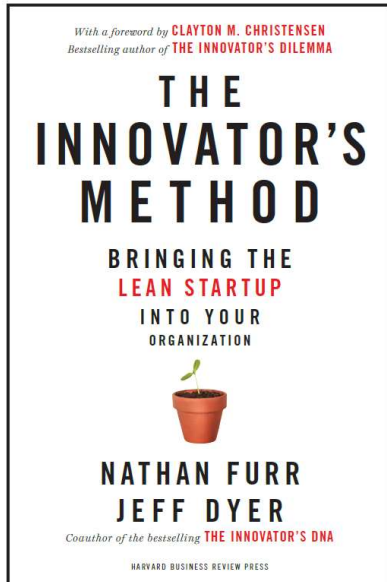Opportunities to become an INSEAD Learning Coach

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Online LLL: Driving Value through Business Acumen

Take it with your team!

First run: May-June, 2017

Online LLL: Beta Test Innovator's Method

Open to SDD alumni in early Fall 2017