

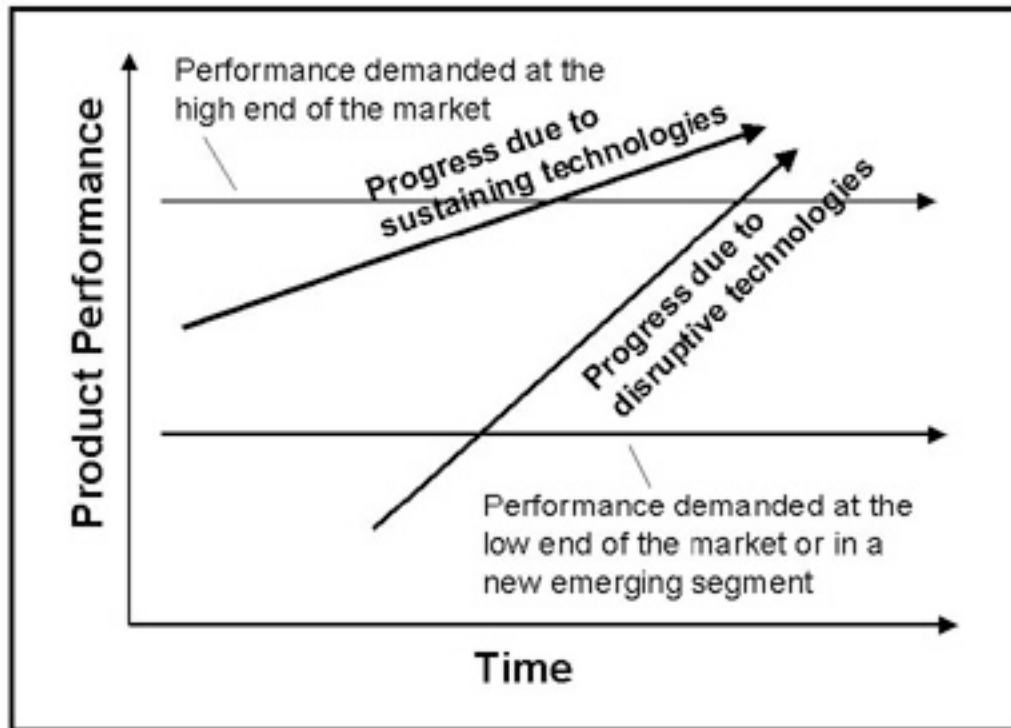
# Innovasjon i styrerommet

Silvija Seres

ECONA seminar

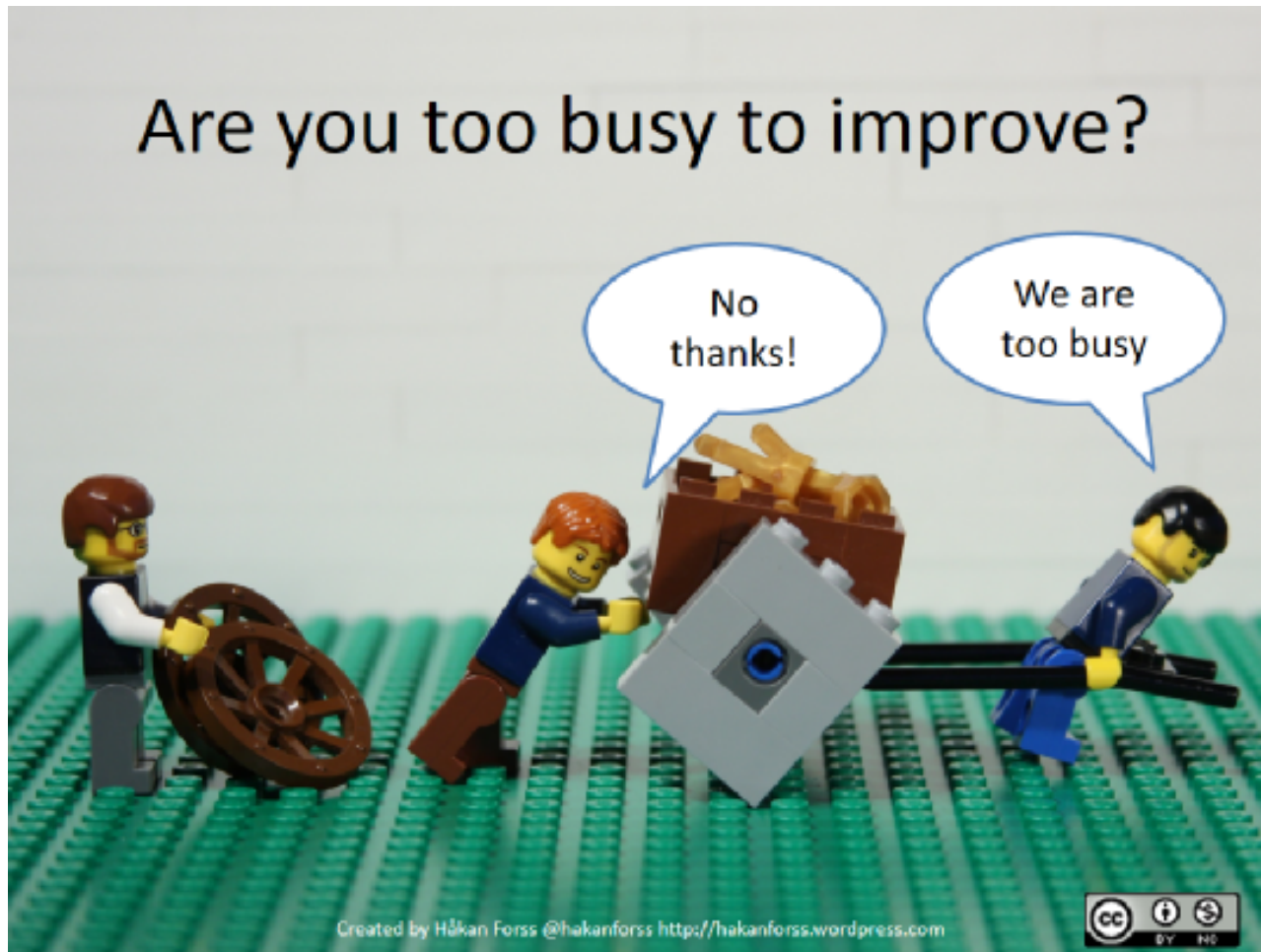
Refsnes Gods, 23 April 2013

# Innovator's dilemma



***The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail:*** successful companies can put too much emphasis on customers' current needs, and fail to adopt new technology or business models that will meet customers' unstated or future needs

# Innovator REAL dilemma



# Web 2.0 is definitely here



E.g.: Bloomberg Philanthropies Mayors Challenge 2014:  
155 applying cities come from 28 countries and  
represent over 71 million Europeans

**63% involve technology**

20% involve co-design

16% involve volunteers

15% involve open / big data

14% involve open innovation

**12% involve gamification**



# Moore and friends

Moore's Law: the number of transistors that can be placed on an integrated circuit chip is doubling every two years

"The greatest shortcoming of the human race is our inability to **understand the exponential function**"

E.g. pixels per dollar in digital cameras

But also mobiles, tablets, nanocomputers, wearables, drones, cars, ...

Our cultural systems rapidly incorporate computer technology into our thinking, philosophy and psychology

# Gartner Top 10 Strategic Technology Trends

## For 2013

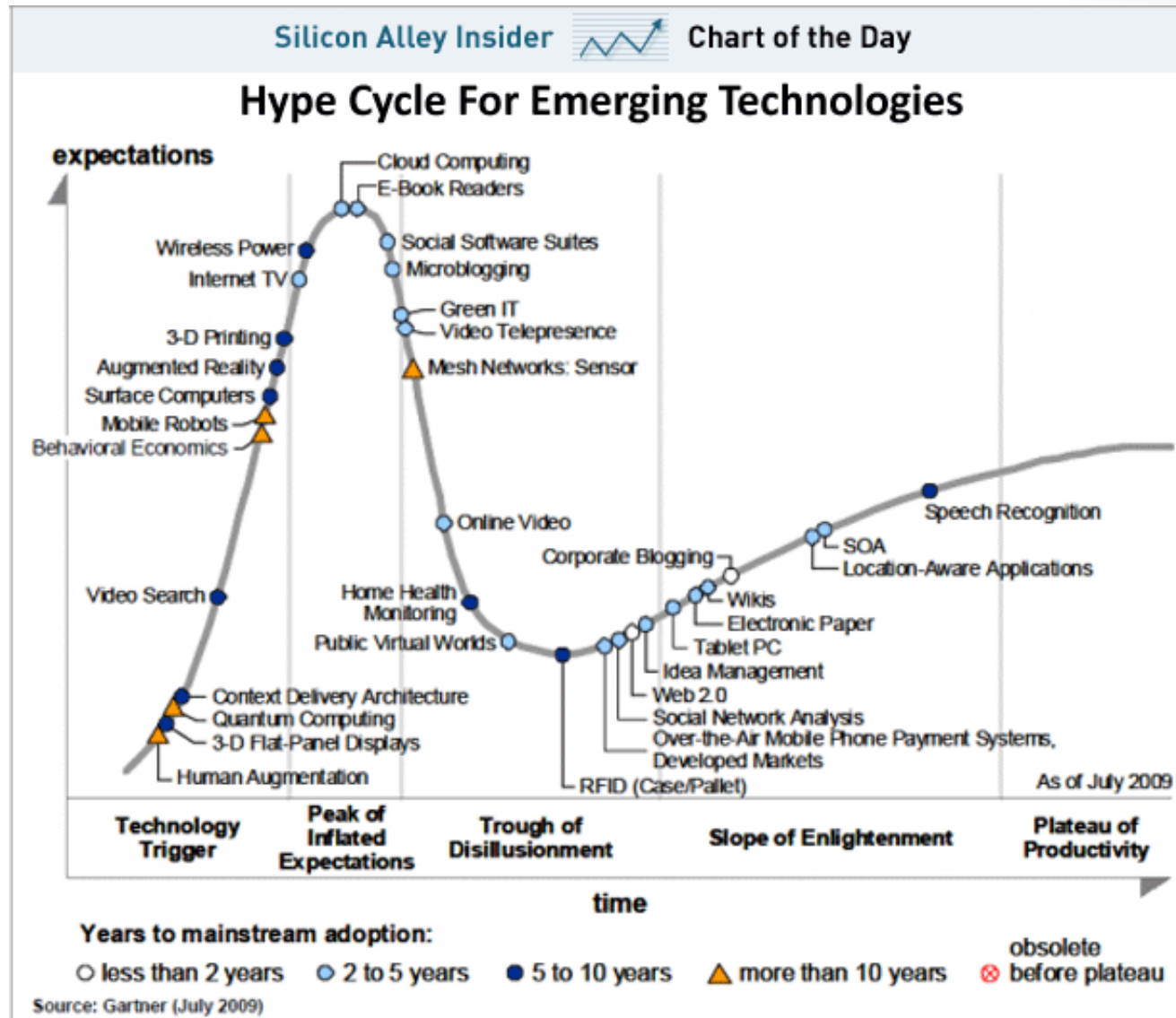
1. Personal Cloud
2. Hybrid IT & Cloud Computing
3. Mobile Devices Battles
4. Mobile Applications & HTML5
5. Enterprise App Stores
6. Internet of Things
7. Strategic Big Data
8. Actionable Analytics
9. Mainstream In-Memory Computing
10. Integrated Ecosystems

## For 2014

1. Personal Cloud
2. Hybrid cloud & IT as service broker
3. Cloud/client app architecture
4. Web-scale IT
5. Enterprise mobile platforms
6. Mobile apps and eco systems
7. The Internet of everything
8. Smart machines
9. Software-defined everything
10. 3D Printing

# Cloud computing

Source:  
Gartner





# Technology cycles



Mary Meeker  
Partner, Kleiner Perkins  
Caufield & Byers

**Technology Cycles – Still Early Cycle on Smartphones + Tablets,  
Now Wearables Coming on Strong, Faster than Typical 10-Year Cycle**

## Technology Cycles Have Tended to Last Ten Years

*Mainframe  
Computing  
1960s*



*Mini  
Computing  
1970s*



*Personal  
Computing  
1980s*



*Desktop Internet  
Computing  
1990s*



*Mobile Internet  
Computing  
2000s*



*Wearable /  
Everywhere  
Computing  
2014+*



Others?

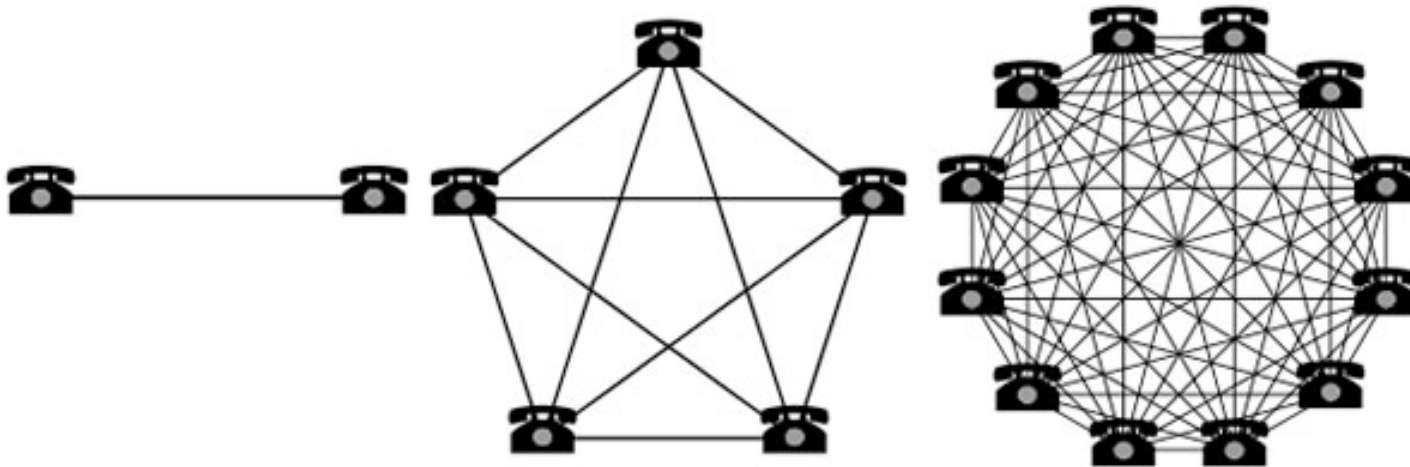


# Four geek laws worth keeping in mind

1. Amara's Law: "We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run"
2. Brooks' Law: "Adding manpower to a late software project makes it later"
3. Thackara's Laws: "If you put smart technology into a pointless product, the result will be a stupid product"
4. Reed's Law: "The Value of a Network Increases Dramatically When People Form Subgroups for Collaborations and Sharing"

# Metcalfe vs Reed, 1/2

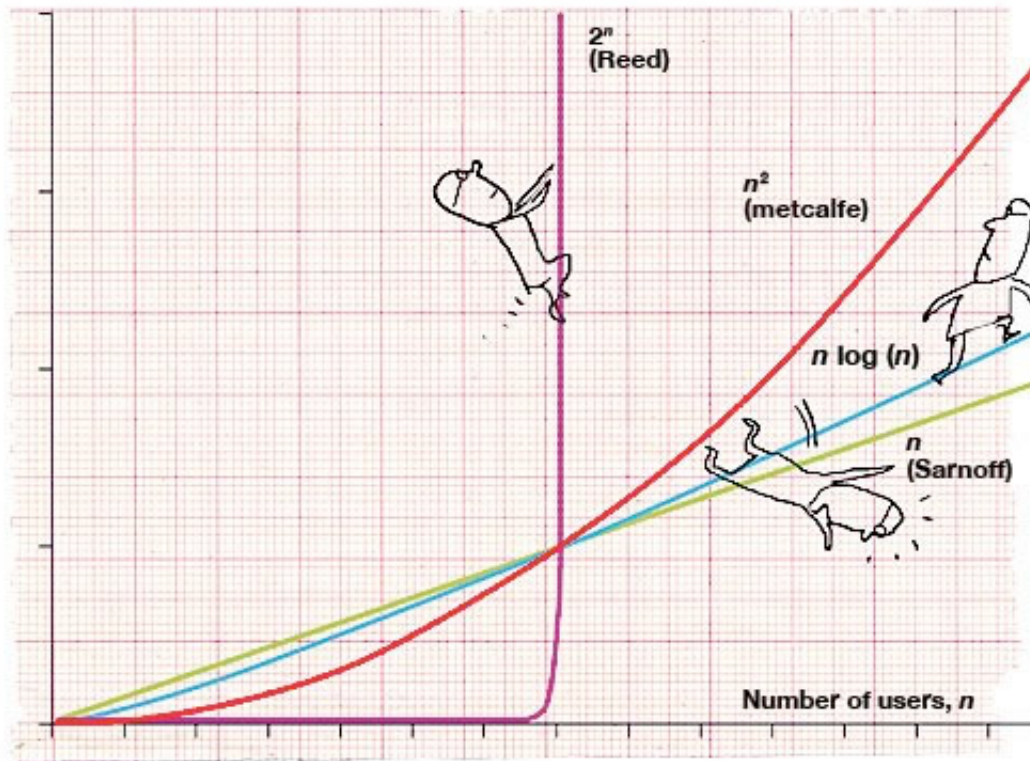
"Metcalfe's Law" or network effect: The value of a network is proportional to  $n^2$ , where  $n$  is the number of users (1993)



# Metcalfe vs Reed, 2/2

Reed, 2001: three different types of networks:

1. one-to-many (broadcast network or Sarnoff network, like TV and radio networks)
2. one-to-one (transactional network or Metcalfe network, such as emails and instant messaging)
3. group-forming network (GFN or many-to-many)



Metcalfe's law understates the value of the third type of network. **GFNs actually increases exponentially with the number of possible sub-groups.** The value of this network is roughly  $2n$ , where  $n$  is the number of participants.



**According to former  
Secretary of Education  
Richard Riley...**

**...the top 10 in-demand jobs in 2010  
did not exist in 2004**



**We are currently  
preparing students  
for jobs that  
don't yet exist...**



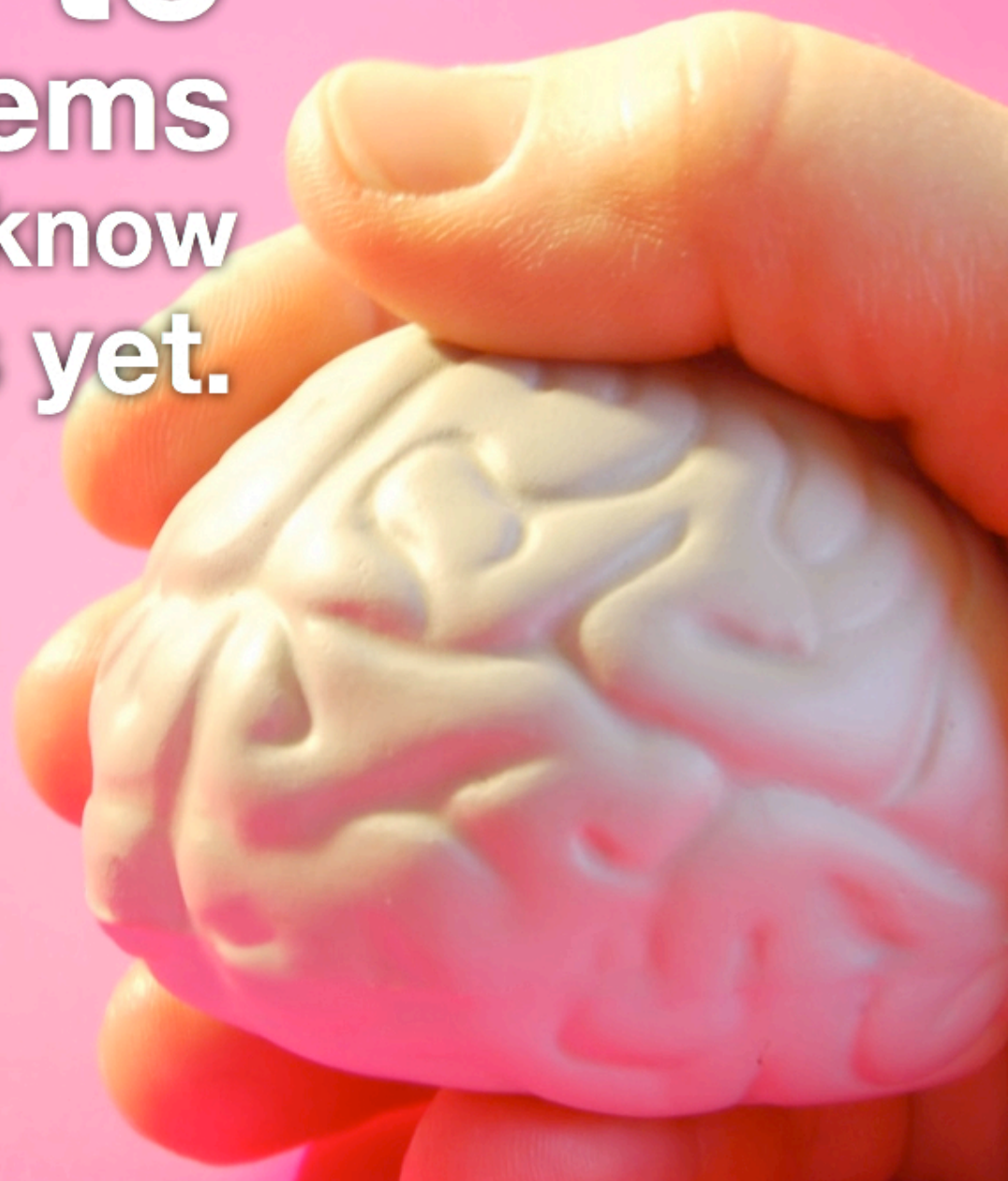


using technologies  
**that haven't**  
been invented...





**in order to  
solve problems  
we don't even know  
are problems yet.**



“

The reasonable man  
adapts himself to the world;  
the unreasonable one persists  
in trying to adapt the world to himself.

Therefore all progress depends on the  
unreasonable man.

(George Bernard Shaw).

# A Fine Balance



**Control  
Vs.  
Value Creation**

# Fox & Hedgehog



**Long-term principles and values,  
short-term goals and KPIs**

# Innovation: Product or Process?



PHOTOGRAPH BY SPENCER.

THEODORE TILTON

ENGRAVED BY H. JOHNSON.

“Organizations, by their very nature are designed to promote order and routine. They are inhospitable environments for innovation.” (T. Levitt).



# The Road To Success



what people think  
it looks like



what it really  
looks like

# Uncompromising Team

**OWNER – BOARD – MANAGEMENT**



**CEO**



**CTO**

**CFO**



# Love Asperger



It's OK to be  
a **prima donna**;  
It is not OK to be  
**negative.**

# Love Teamwork

“Do not  
tolerate  
brilliant jerks.  
The cost to  
teamwork is  
too high.”

Reed Hastings  
CEO Netflix

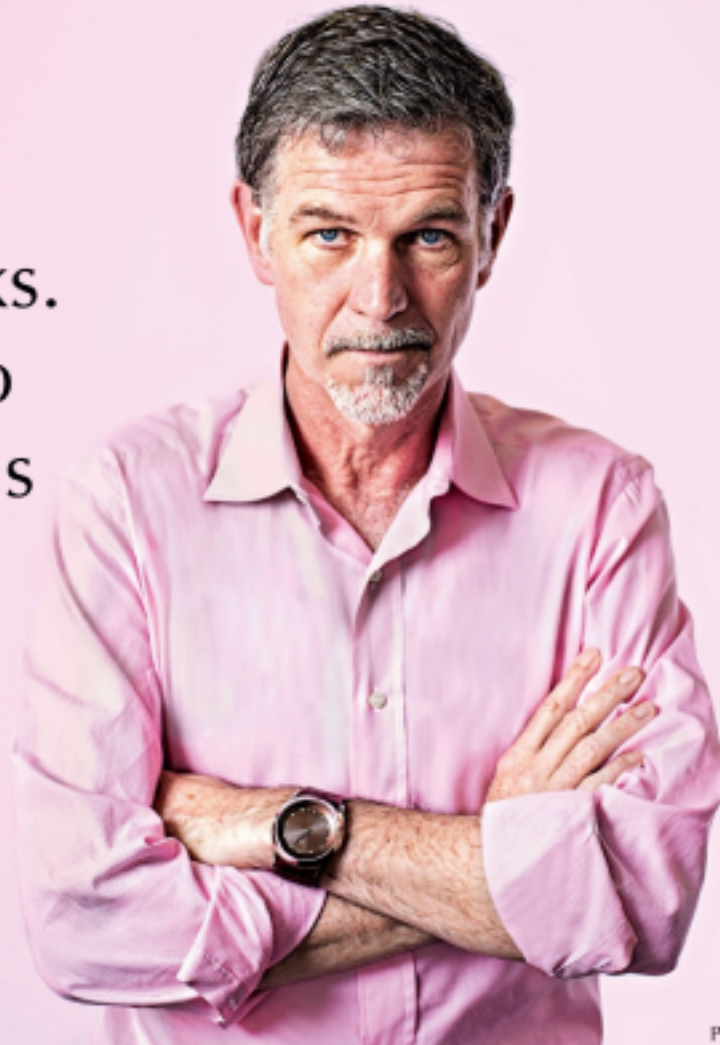


Photo Credit: Scott Grummett

# Love Diversity

**Be proud of it;  
Manage it;  
Use it;**

**And do NOT try to neutralize it.**



# Does the market know?

*"If I had asked people what they wanted,  
they would have said faster horses."* Henry Ford



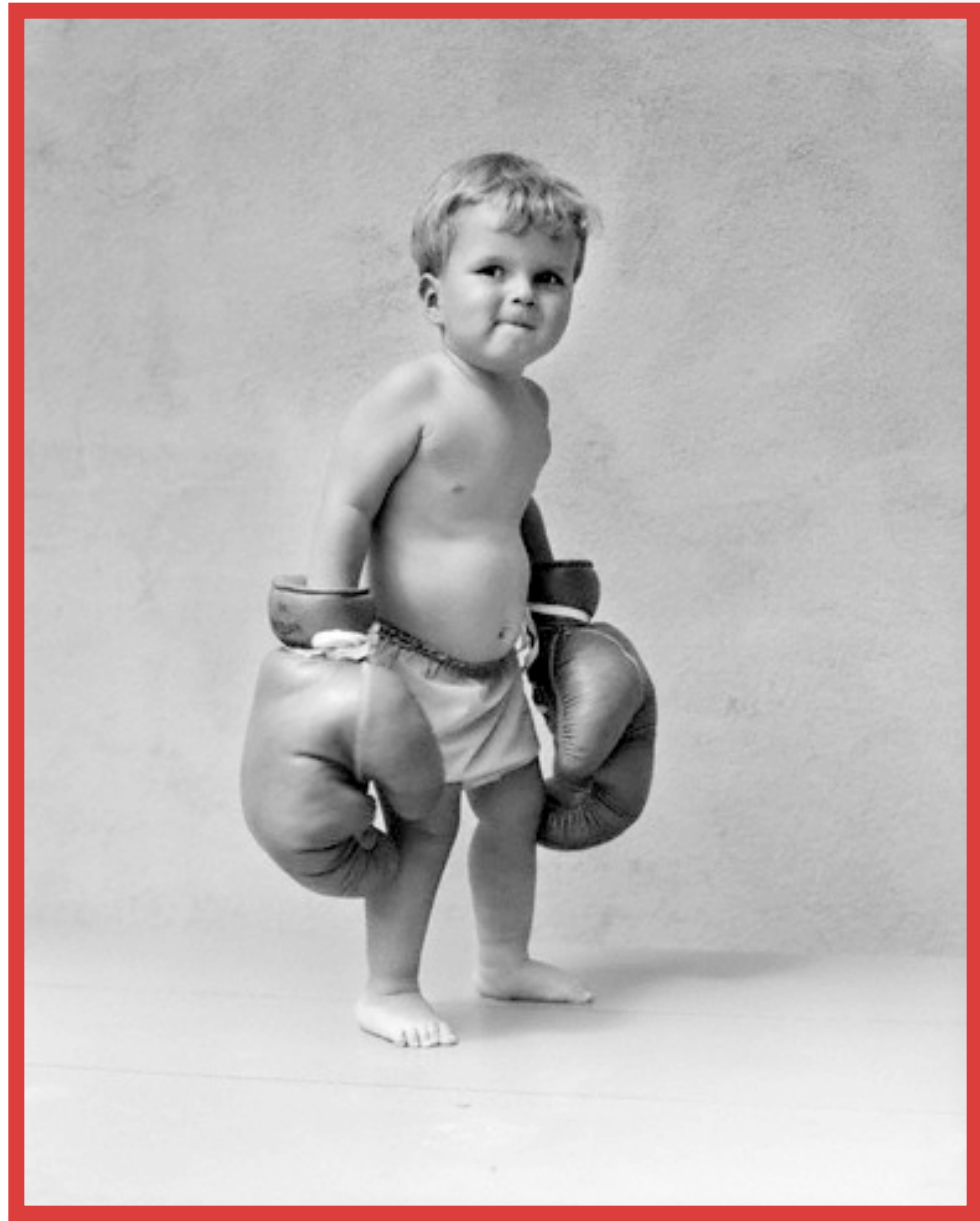
# Sense of Urgency



Joseph  
Schumpeter's  
process of  
*creative  
destruction*

**Think big!**

**You are  
what you  
settle for**





**Changing World**

**Not taking any risk  
may be  
greatest risk of all**





# Beware Flinkisme

Doing things right  
Vs.  
Doing the right things



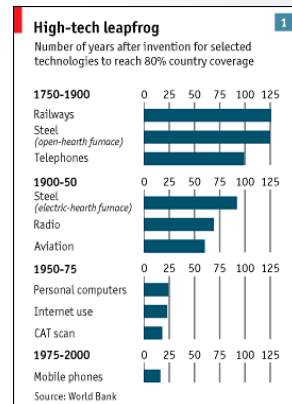
# Beware Bottom-Up Strategising



# A Vision is a Bet

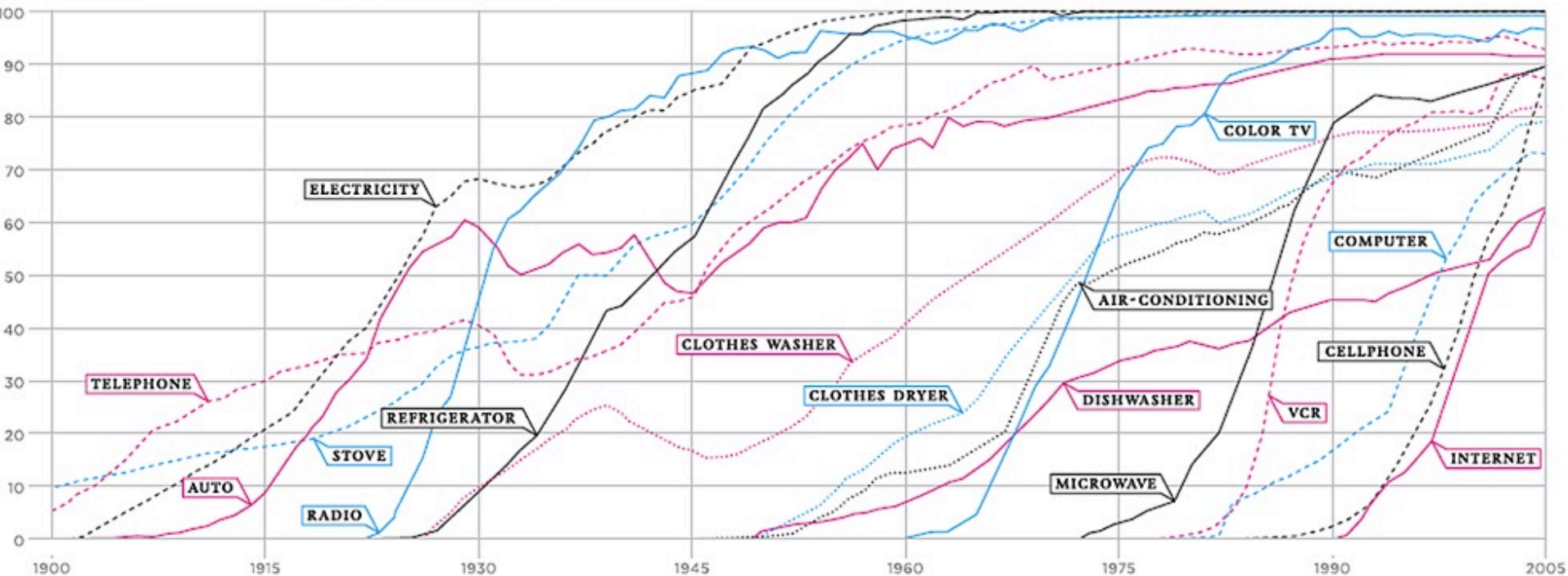


# Speeding



PERCENT OF  
U.S. HOUSEHOLDS

## CONSUMPTION SPREADS FASTER TODAY



# Focusing

Bank robber Willie Sutton reputedly replied to a reporter's inquiry as to why he robbed banks by saying "because that's where the money is."



Which clusters?  
Which customers?



**Speed is no replacement for direction!**



# So what can a board do?

1. Team
2. Dynamics
3. Ambitions
4. Vision
5. Sense of urgency
6. Diversity
7. Faith



# Appendix

Silvija Seres

Styrelederskolen

Refsnes Gods, 13 November 2013

# A few words about me

IT studies: BSc and MSc in Informatics, University of Oslo

Academic research: PhD in Maths, Oxford University, Fellow Magdalen College

Teaching: Prof in Saudi Arabia, Advisor in China

Software Development: DEC SRC in Silicon Valley, Alta Vista

Business studies: MBA at INSEAD

Management: Fast Search 6 Transfer, Microsoft

Business Development: Boards and investments GeoKnowledge, Camo, Sonitor

Board Work: Statkraft, Norsk Tipping, Aschehoug, Making Waves, Norman



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