

Global Leadership CEMS

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Day 3

Objectives

- Understand the challenging issues that global leaders are facing
- Learn about UN Sustainable Development Goals
- Know the role of innovation in addressing these challenges
- Understand and apply a global innovation strategy framework
- Plan and pitch an idea that has a social impact related to one of the SDGs

Challenges for Global Leaders

How Global Leaders Should Think About Solving Our Biggest Problems?

“Unfortunately, after the initial splashy public announcement, most of these sincere and well-intentioned global partnerships are almost certain to quietly fail.”

Local solutions are the essential to tackling global problems.

Challenges for Global Leaders

Recognizing that there is money to be made in meeting the world's challenges — an estimated \$12 trillion in new business opportunities from advancing the United Nations' Sustainable Development Goals. And there is money to be lost from not tackling them because societal failures can suppress corporate growth and profitability

-Novo Nordisk

-Humana

-CLIRnet

Sustainable Development Goals

- In September 2015, the General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs).
- Building on the principle of “leaving no one behind”, the new agenda emphasizes a holistic approach to achieving sustainable development for all.

SDG

 **SUSTAINABLE DEVELOPMENT GOALS**

<p>1 NO POVERTY</p> 	<p>2 ZERO HUNGER</p> 	<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>4 QUALITY EDUCATION</p> 	<p>5 GENDER EQUALITY</p> 	<p>6 CLEAN WATER AND SANITATION</p> 
<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>10 REDUCED INEQUALITIES</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 	<p>15 LIFE ON LAND</p> 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p> SUSTAINABLE DEVELOPMENT GOALS</p>

Why are these SDGs important?

Value creation for:-

- Businesses
- Individuals
- Society

~Five-minute group sharing~

Team 1

GOAL 1: No Poverty

GOAL 2: Zero Hunger

Team 2

GOAL 3: Good Health and Well-being

GOAL 6: Clean Water and Sanitation

Team 3

GOAL 4: Quality Education

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

Team 4

GOAL 5: Gender Equality

GOAL 10: Reduced Inequality

Team 5

GOAL 7: Affordable and Clean Energy

GOAL 13: Climate Action

Team 6

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

Team 7

GOAL 14: Life Below Water

GOAL 15: Life on Land

Team 8

GOAL 16: Peace and Justice Strong Institutions

GOAL 17: Partnerships to achieve the Goal

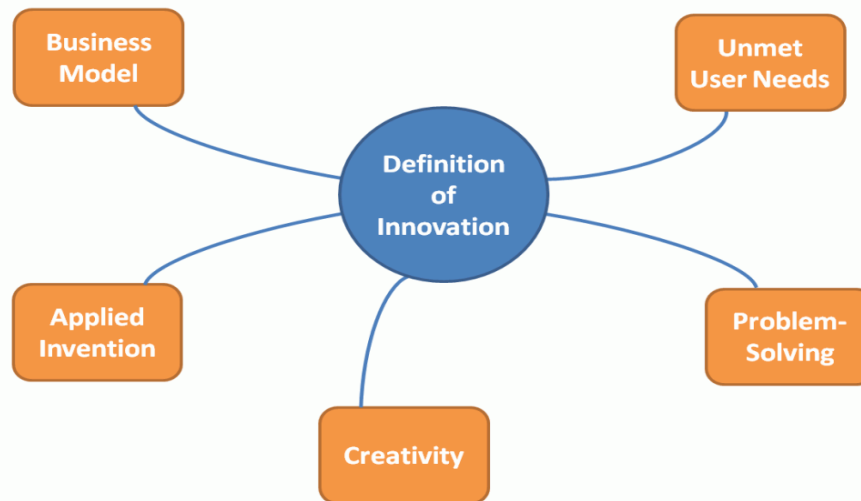
SDG Sharing

Why are these SDGs important?

What is Innovation?

- Innovation across different dimensions
- New product, service, process, idea, method, brand, business model, offering, customer segment, delivery, revenue channel

Mapping the Definitions of Innovation



Source: <http://www.spigit.com>

What is Innovation?

- Innovation – highly contextual – relative to a company's current processes, culture and goals
- Developed versus developing world – does geography make a difference?
- Embedded contextual differences between the developing and developed world influence approaches to innovation. Two key factors:-
 - Economic factors
 - Cultural factors
- Idea of reverse innovation

Economic Factors

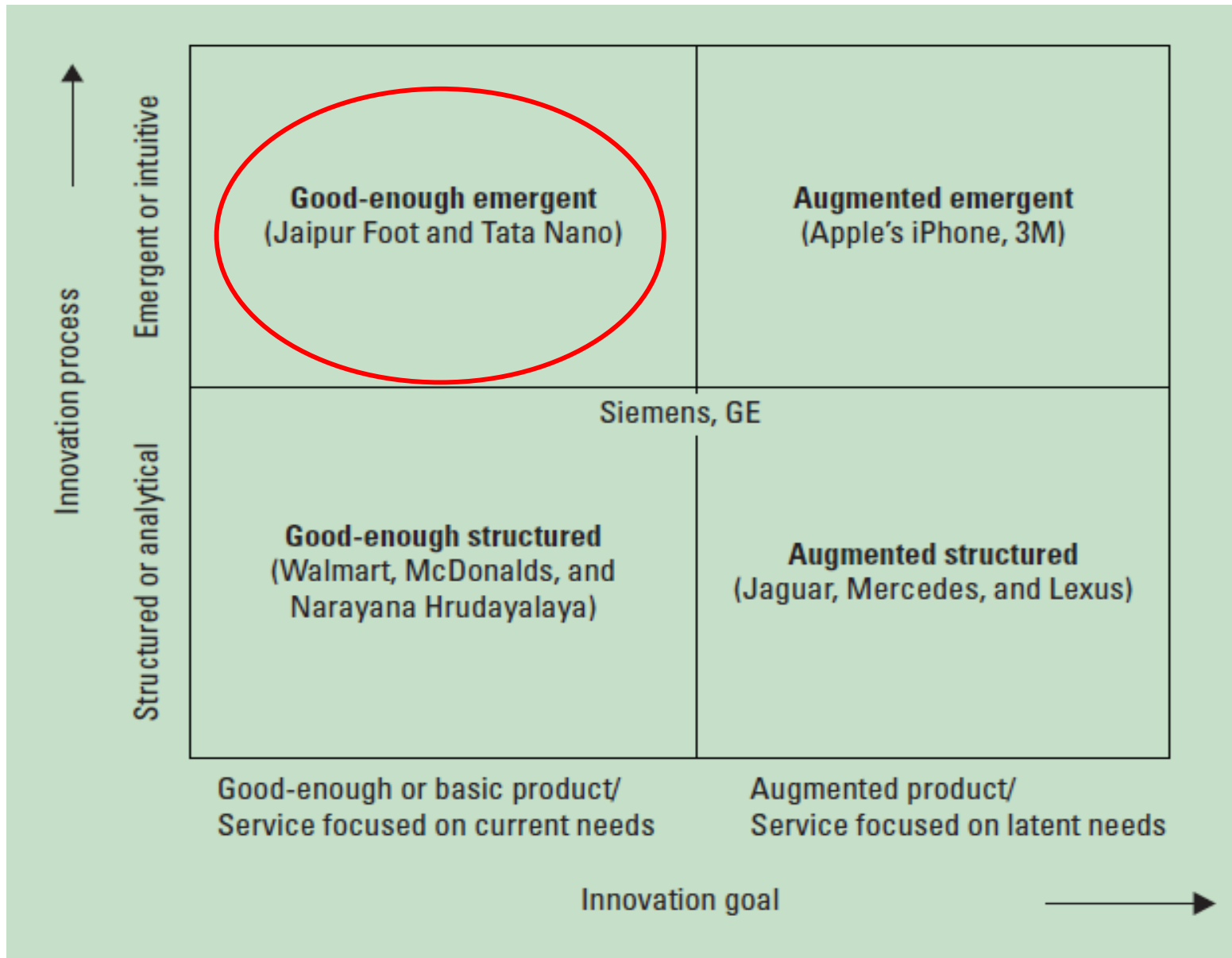
- Resource constraints
 - Innovation not always for new state of art products & services
 - Products and services of comparable quality at affordable prices
 - Necessity (developing) versus opportunity (developed)
 - Affordable “good enough” solutions
 - Narayan Hrudayalaya – Open heart surgery
 - \$2000 compared to \$100,000 (US Hospitals)
 - Another example ...

Cultural Factors

Cultural Reasons

- Collaboration and collectivism
 - Tata Nano – customers serving as Beta testers
 - **Follow your heart approach not always a formal structured approach**
- Curvilinear and not linear thinking
 - No one right or wrong way (Pluralism)
 - Different ways of reaching the same goal, unending evolution
 - Tolerance in cultural philosophy --- leads to risk tolerance
 - Acceptance of imperfections and failures
 - Carrefour, Walmart versus Big Bazar
 - Unstructured innovation process

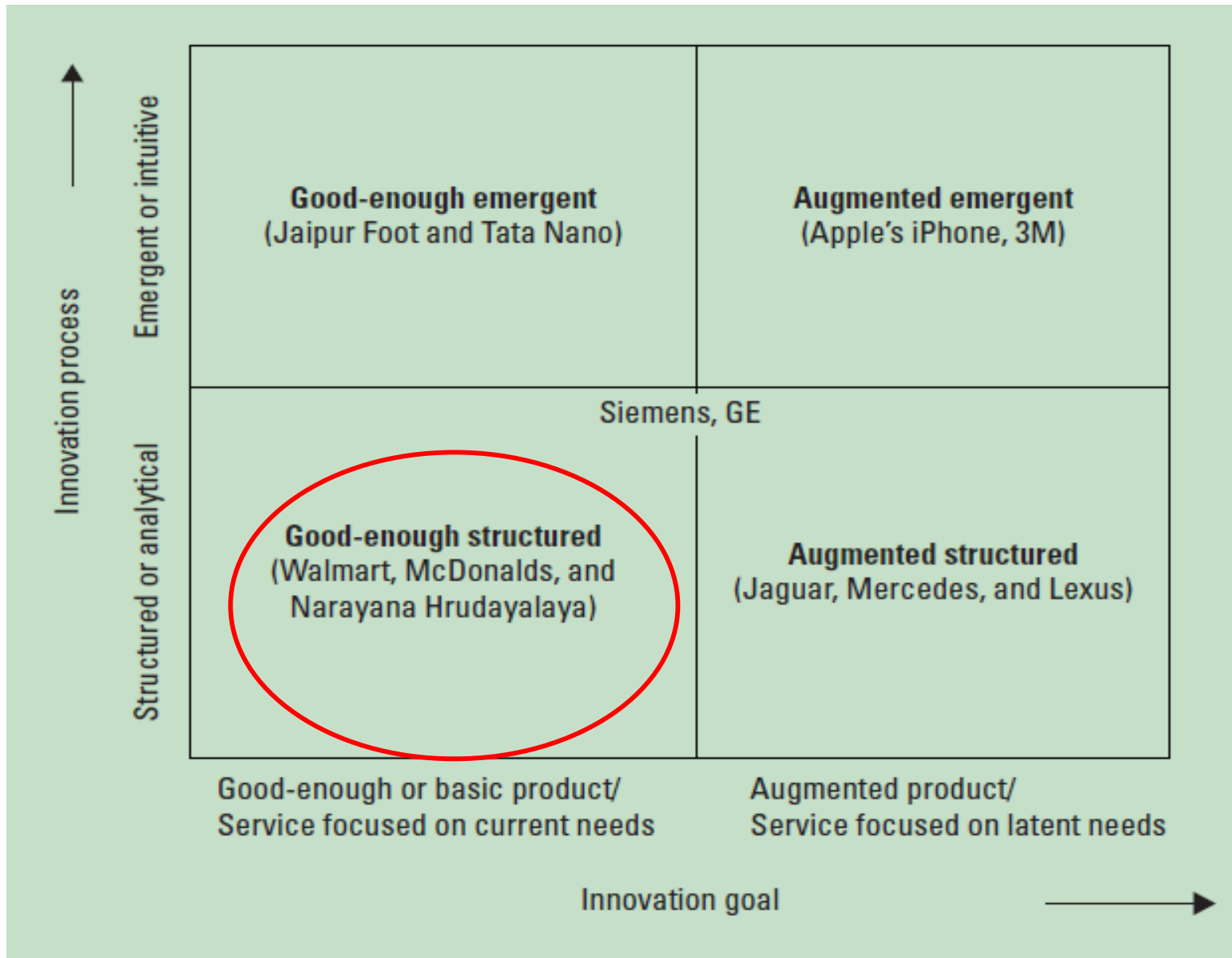
Innovation Goal versus Process Matrix



Good-Enough Emergent

- Emergent and intuition driven innovation process focused on having a sufficient workable solution.
- Forte of emerging economies – some examples from developed world
- Flexible process and supporting IT architecture focusing on personalization approach.
- IT function for making processes efficient and cost sensitive
- Flexible processes – standardized, cost effective modular components

Innovation Goal versus Process Matrix



Good Enough- Structured

- Good enough structured approach initially used by developed world for bringing down operational cost in a standardized way – Walmart, Carrefour ...
- Economies of scale and scope
- More recently in services industry by developing world to bring down cost, Aravind eye hospitals, Narayan Hrudyalaya ...
- IT systems standardized cost saving, knowledge codification for standardization
- Another example ...

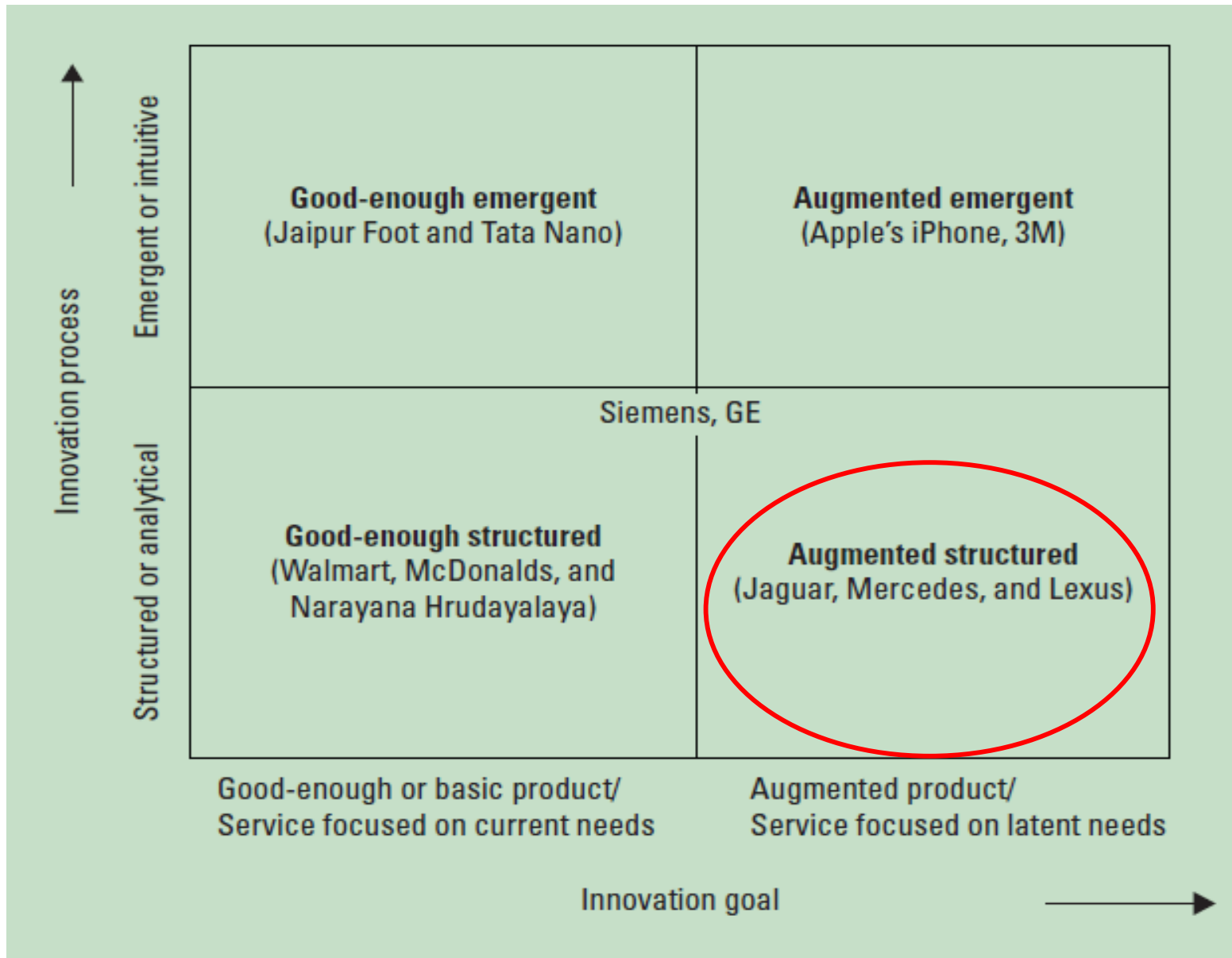
ROP

- ROP is a potentially blinding situation in infants
- Mostly prevalent in pre-term/ premature babies
- It is treatable if intervention is performed within weeks of delivery
- Expensive diagnosis - RetCam
- ROP can create an extremely bad situation for rural households especially in developing countries
- For ROP diagnosis and treatment to reach rural areas: Two objectives - **lower cost and increase geographical access**

The Need for Reverse Innovation

- Gini Coefficient very high in many developed countries e.g. USA (45.0) as compared to India (41.5) and China (36.8)
- Delivery of services to masses is a major issue in many of the developed countries

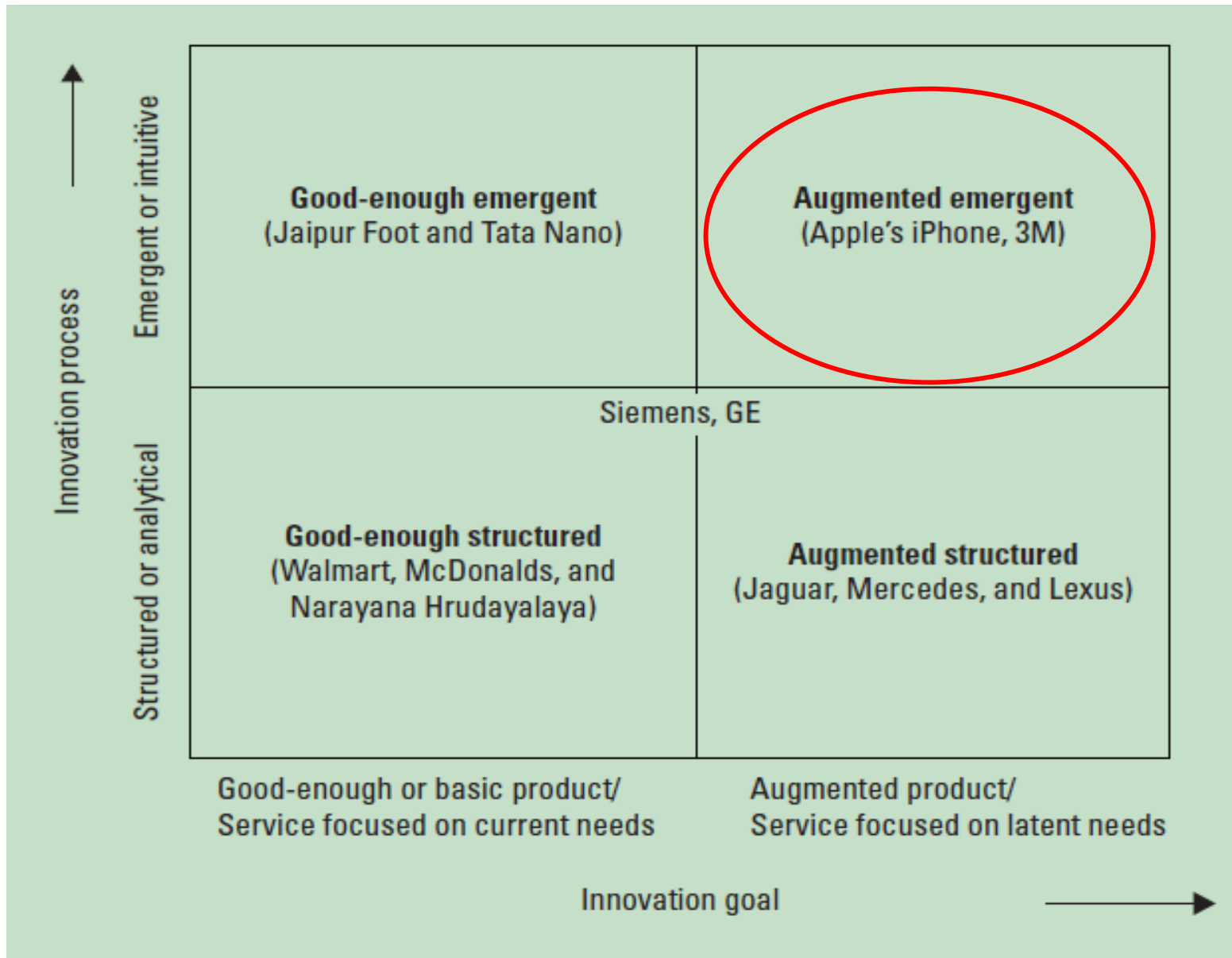
Innovation Goal versus Process Matrix



Augmented Structured

- Structured innovation process – goal of achieving augmented products or services – latent customer needs
- Generally in the developed world – Jaguar, Mercedes, BMW
- Some developing world companies trying to acquire such ventures
- IT for creating sophisticated precision components, for structuring innovation process, knowledge management – codification.

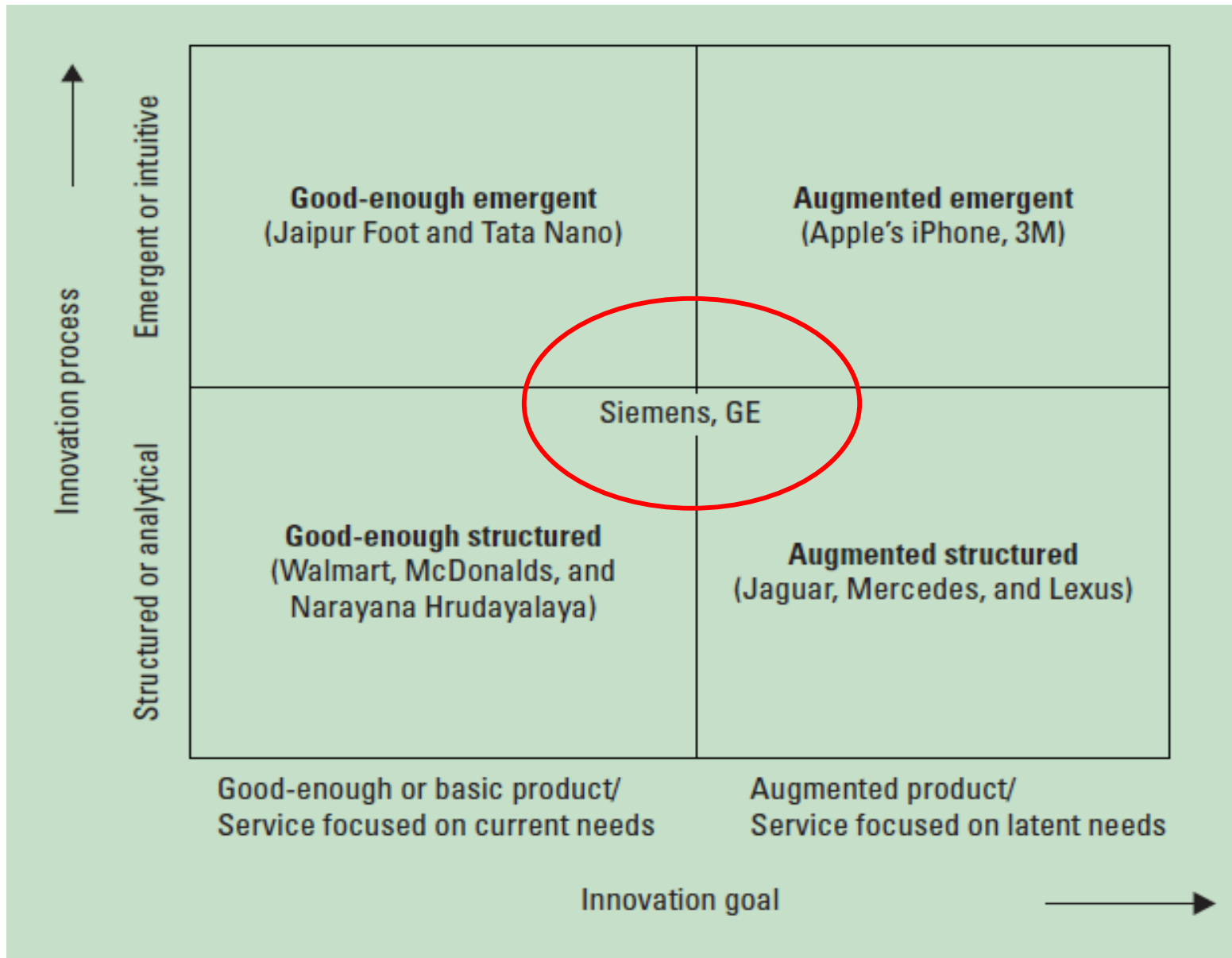
Innovation Goal versus Process Matrix



Augmented Emergent

- Striving for excellence with emergent and intuition driven innovation process
- Very complex to implement
- Unstructured innovation along with excellence
- Appetite for failures also, Google and 3M
- Google Earth and Google mail – success
- Google Health and Google Powermeter – failures
- IT personalization, expensive IT tools for innovation, state of art, knowledge management

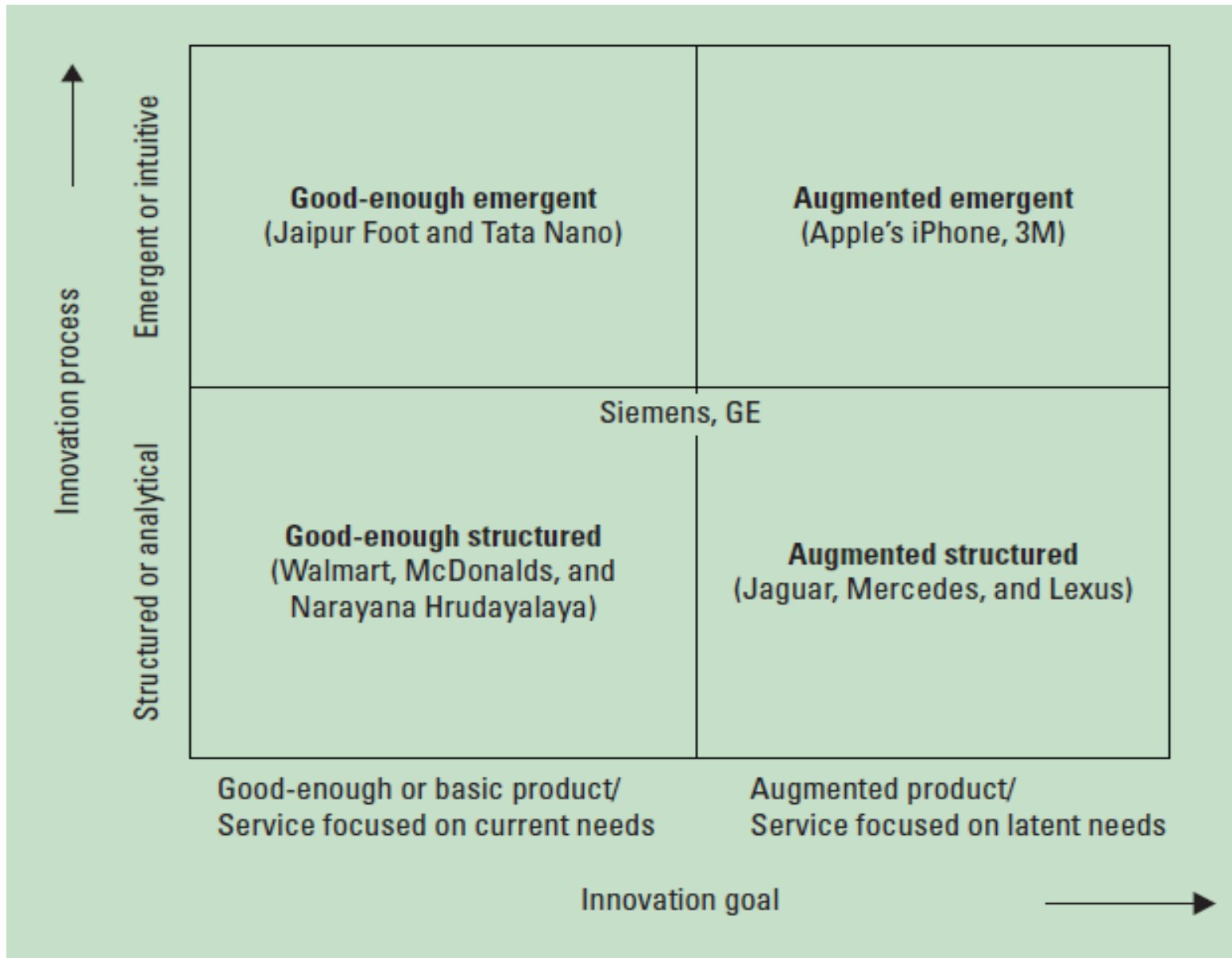
Innovation Goal versus Process Matrix



Mixed Approach

- Siemens and GE are good examples
- Siemens SMART solutions
- GE low cost X ray machines
- Have different strategies for different geographies
- Have segregated IT systems yet centralized access to knowledge through KM systems

Innovation Goal versus Process Matrix



What do we learn?

- **Innovation for being good enough**
 - Innovation for being good enough involves mindful bricolage of available technology, institutions, knowledge to satisfy the needs of the user optimally.

- **Innovation for excellence**
 - Innovation for excellence involves radically redesigning the canvas so as to identify and satisfy evolving user needs in the best possible way.

Points to ponder

- Questions for global leaders
 - How is innovation in the developing world different from that in the developed world?
 - What makes such innovations economically and socially sustainable?
 - How to implant a continuous improvement philosophy in innovations – dynamic innovations?
 - Is there an underlying process for facilitating such an innovation?
 - What is the role of knowledge, skills, institutions, society and technology in facilitating such innovations?

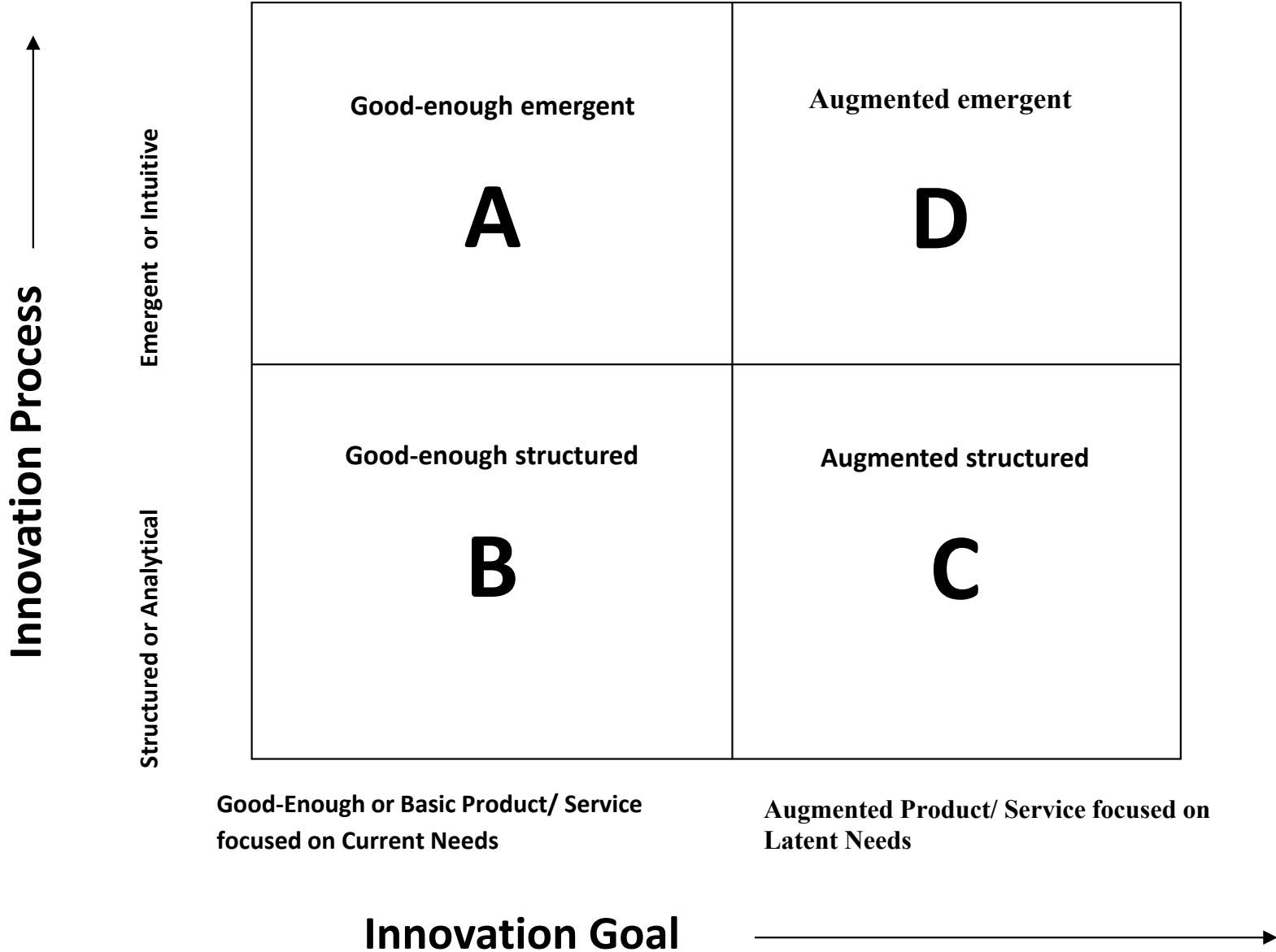
AECS and NN Cases

Discuss the following questions within your respective teams.

- 1. On the global innovation strategy framework where would you place NN and AECS? Reasons?*
- 2. Inspired by the AECS and NN case, can you think of a business solution that can have a social impact? Also, think about the SDG that it might be addressing?*

Please prepare a 5 minute pitch to present your ideas for question 2.

Innovation Goal VERSUS Process Matrix



Key Takeaways ...

- ✓ Understand the challenging issues that global leaders are facing
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Thank You !!!



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