Editor's letter

Some purveyors of strategic nostrums helicopter in to offer company executives advice and a pep talk and then rush off to their next conference or client. We owe an extra quotient of attention to authors who have participated in the multi-stage process of incorporating innovative strategic concepts into standard business operational practice. A number of authors in this issue have achieved success on the corporate front lines implementing a diverse set of tools and techniques: employing design thinking in strategy development, deploying intelligent automation and machine learning, implementing an ERP system and pioneering the digital revolution in retail. As practitioners they have first-hand experience resolving the strategic business problems and developing the innovation opportunities reported on in their articles. Giving due respect to their practical expertise, I'll let them speak for themselves.

How design thinking opens new frontiers for strategy development

A UTC Professor of Business, Darden School of Business, University of Virginia, consultant Jeanne Liedtka is a leader of the design thinking approach to innovation and author of *Designing for Growth*. Saul Kaplan, founder and Chief Catalyst of the Business Innovation Factory, is the author of *The Business Model Innovation Factory*. Their thesis: "Increasingly practitioners are learning about powerful ways they can work together, with design mindsets and practices improving the strategy development process in multiple ways. By integrating design practices into strategy development, practitioners can produce both incremental improvement in the performance of today's business model and open opportunities to completely transform it."

Interview

Alibaba strategist Ming Zeng: "Smart business" in the era of business ecosystems

Ming Zeng, author of the new book *Smart Business: What Alibaba's Success Reveals about the Future of Strategy was* Chief of Staff and strategy adviser to Alibaba founder Jack Ma. His interviewer, Brian Leavy, is emeritus professor of strategy at Dublin City University Business School. According to Zeng, "Alibaba, as it has evolved, now exemplifies a new kind of Internet-era phenomenon, the advent of what I call the 'smart business'. . . . Alibaba today presents a vivid picture of the new business world emerging, one that operates using the data generated by the network of participants, as processed by machine learning, to automatically respond to customer behavior and preferences in real time."

Post-bureaucratic management goes global

Stephen Denning's latest book is *The Age of Agile*, which describes principles and practices for reinventing management to promote continuous innovation and adaptation. Denning, who leads a learning consortium of companies adopting Agile systems, filed this report from the recent Drucker Forum in Vienna. "Important instances of post-bureaucratic management outside the U.S. and independent of software development are coming to light, for example, by the French group, Vinci and the Chinese group, Haier . . . . The Vinci Group is organized with 3,500 business units, so that there are in effect 3,500 entrepreneurs, all intent on developing good ideas. . . .Haier has transformed its organization into a flat platform with thousands of micro-enterprises. There are no more than eight people in each one."

How the human-machine interchange will transform business operations

Karen Butner is the Business Strategy and Analytics, Cognitive Internet of Things and Supply Chain Management Leader for the IBM Institute for Business Value. Grace Ho is a Partner in IBM Global Business Services in Hong Kong. Some insights from their interactions with executives implementing intelligent automation: "Companies must train employees to work with machines in new ways and redesign operations to optimize for automation….The primary purpose of intelligent automation is to augment employees' skills, experience and expertise, extending the human mind in ways that allow for higher productivity, creative problem-solving and more engaging jobs for employees."

Assessing General Motors' innovation strategy over three decades using the "Three Box Solution"

From 1985 to 2003 Vincent Barabba was general manager of corporate strategy and Knowledge Development at General Motors where he played a central role in the development of OnStar vehicle communications system. "Management must find creative ways to enable the current business to thrive while exploring the potential market for a visionary business model . . . . Under the basic strategy of extending GM's relationship with the customer, the OnStar customer service was the most successful of the initial steps taken by GM in implementing its downstream revenue strategy."

The case of "Med-Global": IT-enabled innovation and implementation by non-IT business unit leaders

For three years, Yeliz Eseryel, a Management Information Systems researcher at the College of Business, East Carolina University, observed and participated in the implementation of a new company-wide IT system at a mid-sized medical diagnostic equipment company at the invitation of its senior management. She reports: "This case illustrates how CIOs of mid-size companies can lead a successful ERP system implementation by skillfully empowering their mid-level non-IT managers."

Good reading!

Robert M. Randall

Editor