

Editor's letter

This issue of *Strategy & Leadership* is unusual because it offers two interviews, a first in the history of the publication. The two interviews with digital innovators discuss the cutting edge concepts of “customer connectivity” and “digital maturity.” They bracket an IBM article reporting on a survey of some 1,500 senior digital executives. It identifies the winning digital strategies of the most successful companies, for now and in the future. Both of the interviews and the survey herald culture as a critical aspect of achieving success in the rapidly evolving competition for digital advantage. To illustrate that point, the fourth article in this issue describes in detail the distinctive culture at the digital powerhouse Amazon and lays out ways other companies can adopt its Agile mindset.

This issue is also unusual because its two other articles – one on followership and the other on paternalistic leadership – offer insights about the distribution of power within companies, a topic often glossed over in discussions about leadership and corporate culture. But I think you'll see that insights into power distribution and power dynamics are highly relevant to our understanding of what makes some digital companies' cultures thrive and others stagnate.

Firstly, in “**Thriving in the era of the “connected customer,”**” an interview with Wharton professors Nicolaj Siggelkow and Christian Terwiesch, authors of *Connected Strategy: Building Continuous Customer Relationships for Competitive Advantage*, Dublin City University Professor Brian Leavy asks why they see digital connectivity as a game changer. They advise that “The key promise is that a connected strategy can allow a firm to increase the customer's happiness – or ‘willingness to pay’ – while at the same time reducing the cost of creating this better experience.”

In “**Six strategies that define digital winners,**” a report on a large survey of digital executives, Karen Butner, the Research Lead for the IBM Institute for Business Value, lays out the best practices that separate the digital “Leaders” from their less successful rivals. She found that “Leaders are passionate about developing customer experience-based connections, integrating workflows with artificial intelligence (AI) and automated technologies and personalizing their brands and employee experiences. ... Leaders employ a “build-as-you-go” strategy that prioritizes design thinking and rapid prototyping to understand specific customer needs.”

In their interview “**Digital maturity – the new competitive goal,**” Gerald C. Kane, Professor of Information Systems at Boston College and Jonathan R. Copulsky, a retired Principal of Deloitte Consulting now teaching at Northwestern University, discuss the evolution and elaboration of their understanding of what makes high-value digital transformation. They are two of the authors of *The Technology Fallacy*, a new book that offers the concept of “Digital Maturity” as a way of applying digital technology – at first to promote efficiency and ultimately in creative ways to innovate new business models – an operation that continues to grow and evolve.” Their interviewer is David Rader, a veteran strategic consultant currently implementing a digital system for a major bank.

Stephen Denning's article “**How Amazon practices the three laws of Agile management**” reports on the company's unique culture, which is distinguished by three core features – customer-obsession, small teams and networks. “Life at Amazon is characterized by a pervasive focus on value for customers. ... Amazon doesn't start an activity or develop a capability unless and until the team has figured out how it will measure the customers' response in real time. Amazon builds in customer metrics from the outset.”

In her article “**The future of followership,**” Barbara Kellerman, the James MacGregor Burns Lecturer in Leadership at the Kennedy School of Harvard University foresees the increasing power, influence and moral responsibility of followers. “Social media embolden followers to pressure leaders, to push leaders as they never have previously been pressured or

pushed... Given that those who are not in positions of authority have more power and influence than ever, every single sentient individual is morally obligated to play a participatory role.”

In his article, “**Understanding paternalistic leadership: a guide for managers considering foreign assignments**,” Alejandro Martin Sposato of Middlesex University Dubai, United Arab Emirates, warns “Many problems arise when managers trained in Western business practices first work abroad and encounter a style of leadership heavily influenced by paternalistic norms and based on unreserved deference to authority.”

And don’t miss “**Radical cost innovation**,” by Drexel University Professor V.K. Narayanan, a review of *Costovation: Innovation That Gives Your Customers Exactly What They Want and Nothing More* by Stephen Wunker and Jennifer Luo.

Good reading!

Robert M. Randall

Editor

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