DIGITAL BUSINESS STRATEGY

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Area Information Systems and Technology
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Professor Josep Celaya is a senior digital transformation executive with 20 years of international experience in management positions in insurance, digital businesses, telco and strategy consulting. Josep has a proven track record of launching new businesses, products and services in digital environments.

For the last last twenty years Josep has been a senior executive or advisor in digital transformation in companies as Telefónica, Vodafone, British Telecom, Antena 3, Grupo Planeta, Whirlpool, Mapfre, Munich Re and Nationale Nederlanden. As entrepreneur Josep was one of the founders of Spanish insurtech Verti.

Currently he combines his role as Chief Customer Experience Officer and deputy CEO of Nationale Nederlanden with his teaching activity at IE. Josep has been teaching MIM and IMBA courses at IE since 2018 and he is a respected voice in digital transformation and open innovation in financial services.

Academic Background

PED, IMD

MBA, ESADE and HEC

BEc Economics (Major in Financial Mathematics) Universidad de Barcelona

Professional Background

Chief Customer Experience Officer and deputy CEO Nationale Nederlanden (2021-...)

Chief Digital Officer. DKV-Ergo Spain (Munich Re Group)-(2020-2021)

Global Head of Transformation and Open Innovation. MAPFRE Madrid (2014-2019).

Deputy Managing Director Digital Business. MAPFRE (2012-2014).

Chief Digital Officer and founder. Verti Seguros. Madrid (2009-2012).

Cluster Consulting (now Oliver Wyman). Strategy Consulting Partner. Barcelona, London, Paris, Brussels, Munich, Milan, Boston (1998-2009).

Office Hours

Office hours will be on request. Please contact at:

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SUBJECT DESCRIPTION

Digital Business Strategy is meant to provide you with situational awareness and the ability to design successful courses of action on today´s fast paced technology environment. The use of technology and its impact on businesses is central to survive and succeed in this context. In times of generative AI were many manual tasks will loose value, I intend to make you think to guide your actions and anticipate problems and opportunities, in other words to strategize.

LEARNING OBJECTIVES

We will cover a few basic areas:

- Understand the critical forces that are re-shaping how we understand strategy making in digital markets
- Explore in depth the concepts and decisions related to multi-sided platforms
- Understand how value networks play a role in the redefinition of strategic thinking for many industries
- Explore some of the tools that corporations use to define and exploit digital strategy, and apply them to several industries.
- Gain capabilities related to apply all those frameworks to different industries so that participants can transform trends into valuable analysis.
- Explore the impact of AI in digital strategy.

TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	**Weighting**
Lectures	25.0 %
Discussions	25.0 %
Exercises in class, Asynchronous sessions, Field Work	10.0 %
Group work	25.0 %
Individual studying	15.0 %
TOTAL	100.0 %

AI POLICY

Gen AI tools can be used in this course. Students are encouraged to explore the use of any tool and share insights and discoveries with the rest of the class. An important takeaway of the course (among others) will be to understand how AI will change strategy and management in general, leaving certain tasks and decision for qualified humans.

PROGRAM

SESSION 1 (LIVE IN-PERSON)

The new challenges when creating a Digital Business Strategy

Welcome to the course. We will meet face to face and define together our rules of engagement on the first session. For that first class you are expected yo prepare individually the case discussion (we will apply most of the time to that in our course) and the readings.

During the class we will start discussing some key aspects that are central to our course: strategy in a digital world, platforms, digital transformation, innovation, AI and customer experience.

The six forces of change in a digital environment

When we think about making strategy happen and digital, we need to focus our attention on a few new things: how platform dynamics change competition, the structure of value networks and how they evolve and reconfigure, how customers react differently to markeets, how technology changes and shapes competition, how data is a new big force in business, and how innovation is now about experiments. Those six forces change what we understand as digital business and the concepts of traditional strategy. We will work on putting them all together in this first session, and start the dicussion that will shape our program.

Exponential change

We live in times of exponential change where the status quo of an industry can evolve rapidly and replace market leaders with new challengers in little time. We will discuss the nature of strategic management in a complex environment and how the role of senior management is evolving.

In the Nokia case, we will discuss the challenges that Nokia faced when trying to respond to the iPhone threat: what where the limitations? What is the gap between knowing and doing that condemns BigCorp (the leaders, incumbents or dominant players in a market, that tends to be mature? to die when a big transformation comes? What are the levers of transformation that will help BigCorp avoid its dark future?

To prepare for the session:

1.Read the Nokia Case. Think about these questions:

- What were the main failures that led them to disaster?
- Are they failures or just the design of the perfect system to deliver results? - How could have they done better?
- Why, in general, BigCorp goes bad?

2.Read the memo that the late Nokia CEO sent the company in early 2011, and watch the video of the presentation of the iphone five years before that. What happened to Nokia so that they could not reply to the change? What are the tools we can use to analyze the changes that define disruptors? What is the link between customers, technology and innovation, and how can we harness them to survive and thrive?

Article: Nokia Stephen Elop Memo: The burning platform Burning (The Guardian)

Article: Digital Doesn't Have to Be Disruptive (HBS R1904F-PDF-ENG)

Practical Case: The Rise and Fall of Nokia (HBS LBS152-PDF-ENG)

SESSION 2 (LIVE IN-PERSON)

Digital challenges for a digital strategy

We will go deeper into the challenges of an exponential change environment, using the example of the pharma industry and the company that you all know by now, Moderna. How did they create such an unfair advantage with the rest of the players? (here BionTech is quite similar in their approach to tech-based competition); What are the implications for how companies can compete in the industry? What has been the role of technology and technologoical transformation in their race to the vaccine?

We will discuss the challenges and also the reasons why most transformations fail, so you can understand what to look for when you are working in your next job... either to get out of a project or to make it work.

Practical Case: Moderna (A) (HBS 621032-PDF-ENG)

SESSION 3 (LIVE IN-PERSON)

Why making strategy in times of technology change is so difficult?

We will run a simulation that will help us understand why being succesful in innovation and technology is so difficult. We will run the simulation, discuss the results and learnings.

Crossing the Chasm in emerging technology markets.

We will use a simulation to understand the challenges of building a go-to-market strategy in a market with technologies that are still maturing and where there is no dominant design that can be sold to the majority of the users.

Multimedia Material: Innovation Marketing Simulation: Crossing the Chasm (HBS 8695-HTM-ENG)

Article: The New-Market Conundrum (HBS R2003D-PDF-ENG)

SESSION 4 (LIVE IN-PERSON)

Platform Strategy (I): evaluation of Platform Business models - Marketplaces

Once we have reviewed the basic foundations of the platform business model we will understand main challenges in a world of fast evolution of customers and markets and how the customers adopt these new digital businesses.

We will leverage on the online marketplaces example in order to understand that platforms are extremely difficult to build. Most entrepreneurs and investors attribute this to the challenge of quickly attracting a critical mass of buyers and suppliers.

Preparation question:

You are taking the role of the investor from a venture vapital firm in San Francisco. You want to maximize the return of your investments and are searching for the next big platform (a game changer, a multi-billion dollar business), Where would you invest?

Practical Case: Investing in Online Marketplaces (HBS 714520-PDF-ENG)

Article: How to Launch Your Digital Platform (HBS R1504H-PDF-ENG)

Article: Network Effects Aren't Enough (HBR R1604D-PDF-ENG)

SESSION 5 (LIVE IN-PERSON)

Platform Strategy (II): evaluation of Platform Business models

The raise of the SuperApps and the future of ecosystems. Wechat: ruling your digital life, for a billion people.

Wechat has become a giant, and the case summarizes the story of the company from the QQ days to early 2019.

Preparation questions (when reading the case look at the following issues):

1. What are the actions that lead the transformation from QQ to Wechat? What do you think

were good and bad decisions from the management of Tencent and Wechat?

2. What were the key steps towards making Wechat the dominant platform that is today?

Article: Why Some Platforms Thrive and Others Don't (HBS R1901J-PDF-ENG)

Practical Case: Ant Financial (A) (HBS 617060-PDF-ENG)

Practical Case: Ant Financial (B) (HBS 618041-PDF-ENG)

Practical Case: Ant Financial (C) (HBS 618042-PDF-ENG)

SESSION 6 (LIVE IN-PERSON)

Digital Transformation: from technology to product to organizational transformation. The challenges for BigCorp to act as BigTech.

In this session we will introduce alternative frameworks to think about the challenge of digital transformation, and by looking at what Siemens did try to focus on the critical areas of how Big organizations work and how they are thinking about this transformational change.

To prepare for the session:

- Think about the nine elements of digital transformation from the MIT-Capgemini model, place the different initiatives that Siemens undertakes into those boxes.

- Why do you think Siemens is thriving with this strategy while GE has already lost and Predix is basically dead?

Practical Case: Digitalization at Siemens (HBS 717428-PDF-ENG)

Other / Complementary Documentation: Nine Elements of Digital Transformation (MIT-Capgemiy Research)

Article: The Five Rules of Digital Strategy (Boston Consulting Group)

Article: The Double Game of Digital Strategy (Boston Consulting Group)

Article: Borges' Map: Navigating a world of Digital Disruption (Boston Consulting Group)

SESSION 7 (LIVE IN-PERSON)

Data Driven Futures

Challengers and incumbents. Playing defensive and playing offensive. We will reflect on how start ups leverage on the weaknesses of incumbents to disrupt their industries.

Dacadoo is an epitome of a challenger with a collaborative approach (B2B to its incumbent clients). We will analyze the company and have a discussion on the relevance of data to build and capture value.

Practical Case: Innovation and Agility at Tencent's WeChat (HBS LBS220-PDF-ENG)

Article: What Young Professionals Need to Know About Generative AI (H07I7G-PDF-ENG)

SESSION 8 (LIVE IN-PERSON)

Innovation in a Big Corp
What we need to know and how to execute digital transformation. Platforms beat products. Digital Future of the Media industry.
Open innovation tools for BigCorp: scouting, incubation, acceleration and CVC's as the answer to play defense (survive disruption).

The case presents how ENEL, which once was an old european state-controlled energy provider, has built a strategy to bring innovation from outside into the company. It sounds quite cool and interesting, but the reality is that most corporations struggle to extract real advantages from their open innovation strategies.

Read the case and be ready to discuss:

- What are the main components of Enel open innovation strategy?

- How would you evaluate the way they work with internal areas to find opportunities and get results?

- What is your overall evaluation of their strategy?

Practical Case: Enel's Innovability: Global Open Innovation and Sustainability (HBS IN1644-PDF-ENG)

Article: The Five Rules of Digital Strategy (Boston Consulting Group)

Article: The Double Game of Digital Strategy (Boston Consulting Group)

Article: Borges' Map: Navigating a world of Digital Disruption (Boston Consulting Group)

SESSION 9 (LIVE IN-PERSON)

The challenge of AI and Digital Strategy (ii)

With the AI transformation in mind we will discuss the case of Deutsche Telekom and its transformation.

To prepare for the class read the case and discuss the most relevant aspects of DT strategy, its transformation and the impact of AI in oth.

Practical Case: dacadoo (A): Getting started as Quentiq (HBS IM1329-PDF-ENG)

Practical Case: dacadoo (B): Building momentum (HBS IM1332-PDF-ENG)

Practical Case: dacadoo (C): Ready for take-off (HBS IM1334-PDF-ENG)

Article: Creating Value From Data: A Monetization Framework (HBS ROT489-PDF-ENG)

Technical note: What is a Data Strategy? (BEP647-PDF-ENG)

SESSION 10 (LIVE IN-PERSON)

The challenge of AI and Digital Strategy

We will discuss the case of Open AI and the history of modern AI. How they got to the "iPhone moment" of Gen AI and put Microsoft back in the game?

As a second topic, we will recover a case that you have already prepared in another course (DBS). The bank is an example of successful digital transformation. But is that and advantage when facing the challenges/opportunities of Gen AI?

To prepare for the class read the two cases (DBS has already been discussed in another course) and Open AI

Practical Case: Copilot(s): Generative AI at Microsoft and GitHub (HBS 624010-PDF-ENG)

Article: Generative AI: What Leaders Need to Know (HBS ROT493-PDF-ENG)

Article: The Best Leaders Can't Be Replaced by AI (HBS H07Z39-PDF-ENG)

Article: AI and the New Digital Cold War (HBS H07RQO-PDF-ENG)

Article: We're All Programmers Now (HBS R2305G-PDF-ENG)

SESSION 11 (LIVE IN-PERSON)

Cybersecurity

In today´s hyper-connected world, cybersecurity is no longer optional; it is a necessity. With the exponential rise of cyberattacks targeting individuals, businesses and governments, the stakes have never been higher.

Cybersecurity is today at the top of the agenda in C suites across all the industries and governments.

We will apply the session to review the key aspects of the subject and how they impact business strategy.

Practical Case: Data Breach at Equifax (HBS 9-118-031)

Article: Quantum Computing for Business Leaders (R2201H-PDF-ENG)

SESSION 12 (LIVE IN-PERSON)

The challenge of AI and Digital Strategy

We will discuss the case of Open AI and the history of modern AI. How they got to the "iPhone moment" of Gen AI and put Microsoft back in the game?

What are the challenges/opportunities of Gen AI? How Ai will change strategy? What do we have to do to be prepared as professionals?

To prepare for the class read the case

Technical note: Generative AI Value Chain (724355-PDF-ENG)

Article: 6 Ways AI Could Disrupt Your Business (HBS H07ZKW-PDF-ENG)

Article: Reskilling in the Age of AI (HBS R2305C-PDF-ENG)

Practical Case: OpenAI: Idealism Meets Capitalism (HBS 824134-PDF-ENG)

SESSION 13 (LIVE IN-PERSON)

Customer Experience in a Digital World

Customer centricity is a key topic in the leadership agenda of most companies. We will use the Headspace case to illustrate how CX is shaped in a digital environment and what are the key aspects to consider when building it.

To prepare the session, read the case and reflect on the function of a digital product manager.

Article: Today's CEOs Need Hands-On Digital Skills (HBS H06PE2-PDF-ENG)

Practical Case: Headspace in 2018 (HBS SM314-PDF-ENG)

SESSIONS 14 - 15 (LIVE IN-PERSON)

Student Presentations and Exam

The final presentations will try to build a challenge that you can face within a few months: in your new job, you are asked to provide an overview of the impact of technology in a specific industry, and to narrow down a proposal for a specific company on how to use technology to be more competitive. The idea is that a proposal that will include a "do everything" might be discarded as not reasonable or useful, and it should be suited to the client.

A part of the session will be applied to do an open books examen on the concepts of the course.

EVALUATION CRITERIA

We will do a lot of group work, which means that 65% of your grade will be the outcome of how well/bad your group works together. Kind of like in real life. Be prepared to do a lot of presentations. Also come to class prepared to discuss the cases at hand. Most of the times they will be just the introduction of the history of the industry, but the details are important. In the first session you will receive information detailing which cases are going to be discussed in depth. Follow those instructions and you will learn and have fun.

Class participation is key for the evaluation. In real life the relevance and quality of you interventions in a discussion about complex business matters will be key to your professional progression. I aim to help you maximice your chances.

Your group will be required to prepare a final presentation (to be hold on sessions 14 and 15). I will give you detailed instructions on session 1 about how to prepare it.

criteria	**percentage**	**Learning Objectives**	**Comments**
Group Presentation	25 %		
Group case preparation	25 %		
Class Participation	25 %		
Final Exam	25 %		

FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.
The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.
Grades for the reassessment are limited to a Low Pass and Fail.
Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered.
Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

BIBLIOGRAPHY

Recommended

- David L. Rogers. (2016). *The Digital Transformation Playook: Rethink Your Business for the Digital Age.* Columbia Business School Publishing. ISBN 0231163843 (Digital)
- Kai-Fu Lee. (2018). *AI Superpowers: China, Silicon Valley, and the New World Order.* Harper Business. ISBN 132854639X (Digital)
- Kai-Fu Lee. (2021). *AI 2041.* Virgin Digital. ISBN 0753559021 (Digital)
- Richard Rumelt. (2017). *Good Strategy/Bad Strategy: The difference and why it matters.* Profile Books. ISBN 9781846684814 (Digital)

BEHAVIOR RULES

Please, check the University's Code of Conduct here. The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy here. The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code here. The Program Director may provide further indications.