**Innovation Management**

**Exam: 22/06/2021**

**Questions and Answers.**

**OA - 1.** Discuss the network externalities that arise on the Uber multi sided platform. Remember: there are many kinds of network externalities: build a comprehensive answer including a discussion on all types of externalities.

**OA - 2.** Discuss the role of the *Experimentation Platform* in the organization of digital native companies, providing some real examples.

**MC - 3.** What is the main characteristic of a *subsidy-side* in a platform business?

1. It drives the growth of the platforms generating higher externalities for the other side

2. Customers on that side pay higher prices (commissions) as they generate strong externalities

3. None of the others

4. This side hosts consumers only.

**MC - 4.** Why has Zynga failed to market its products (casual videogames) strongly relying on customer derived data?

1. Customer preferences changes quickly over time.

2. None of the others.

3. Data collected by Zynga can be easily copied.

4. They collected only few data points per customers.

**MC - 5.** Comparing the balance sheet of a digital-native company (e.g., Google) with respect to a traditional one, which of the following is the most likely finding?

1. Higher current assets while lower non-current ones.

2. None of the others.

3. Higher non-current assets while lower current ones.

4. Higher net earnings.

**MC - 6.** In the videogame market, why do platforms (e.g., PlayStation, Xbox) compete to host marquee games developers (e.g., EA Sport) on the supply side?

1. Because they generate very strong externalities for consumers.

2. Because they only want to increase the number of producers on one side of the platform.

3. Because they aim at specializing in one game typology.

4. None of the others.

**MC - 7.** Services are characterized by:

1. Inversion in the temporal innovation dynamics between product and process

2. Longer stable dominant designs, because higher sunk costs in technology

3. Completely different dynamics with respect to continuous processes

4. If in bundle with products, innovation dynamics that arise in that part of system where you have fewer integral architectures

**MC - 8.** Tick the only correct answer among the following statements

1. Architectural changes are always necessary to determine radical innovations

2. Technological novelties imply radical innovations

3. Radical innovations do not change the technological paradigm

4. Disruptive innovations are due to radical innovations

**MC - 9.** Tick the only correct answer among the following statements

1. Creative processes generate innovative outcomes

2. Creative outcomes are more innovative

3. Creativity is demonstrated to be a driver of innovation

4. Creative processes generate a major number of outcomes, so that innovation is more likely

**MC - 10.** Tick the only correct answer among the following statements

1. Innovation is always either technology-push or demand pull

2. Industry structure is independent on technological paradigm

3. Technological trajectory is the trade-off solution between technology and market needs that defines the technological paradigm

4. Paradigm evolution is described by the evolution of performance over time, and it is represented by a bell-shaped curve

**MC - 11.** Tick T or F for the following statements

1. Open architecture offers flexibility and standardization

2. Integral architectures cannot enable variety

3. System changes within the lifetime and between versions are enabled by standard components

4. Global performances are enabled by integral architectures, as local performances by modular ones

**MC - 12.** Digitalization is enabled by:

1. Enabled by standardization, because of specific sustaining technologies (Internet protocols, A/V R, storage capacity and Cloud Computing, Data Mining and Machine Learning)

2. The use of platforms, because of the diffusion of services

3. Modularization and the use of platforms, because of the presence of digital processes

4. Modularization and the use of platforms, since interoperability and decentralization are required

**MC - 13.** Patents:

1. Represent the best solution for knowledge appropriability independently on the sector

2. Are the reason why companies suffer R&D efforts

3. Are made fruitful, thanks exploitation of the monopolistic right

4. Pose many problems for digital (mostly intangible) artifacts; so much that the legislation is quickly adapting to technological changes in this sector

**MC - 14.** Design platform are:

1. A collection of assets that are proven to work together and that might serve as the basis for developing a family of multiple derivative systems

2. The basis for all architectural choices

3. So beneficial that counterpart costs are neglectable; flexibility is too important

4. Not considered a design pillar in digital context

**MC - 15.** What principles do you have to avoid when you (as company) are driving a digital transformation?

1. Agile Product Focus

2 None of the other

3. Hiring technical personnel only

4. Having a single integrated strategy

**MC - 16.** For a company customer data are strategic and can lead to a competitive advantage

1. when they are rare and costly to be imitated by competitors

2. when they have a high level of integration

3. when they are scalable

4. None of the others

**MC - 17.** Which of the following is a disadvantage of well-established firms with respect to digital born companies like Netflix or Facebook in data use?

1. lack of financial resources

2. data sylos

3. lack of knowledge on agile development methods

4. lack of knowledge on frameworks of data regulation and ethics

**MC - 18.** Automation bias means

1. Giving undue weight to the information coming through the monitor…ending up believing information even when it is wrong or misleading.

2. A form of sample bias in the data on which machine learning algorithms are trained.

3. When the analysis run by software gives us a false sense of security, humans disengage from the part of work software is doing.

4. None of the others.