

Group Task

**MODULE / TEACHER**

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**GRUPO**



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Working in groups of no more than 5, use the Lakhani, K.R., Iansiti, M., & Herman, K. (2015). GE and the Industrial Internet. Available in Harvard Business School's 618-S05 course package addresses the following questions:

# How would you evaluate GE's Industrial Internet initiative?

Its implementation was appropriate, at least in time, since it had to adapt to change. The initiative showed the results that could be had by monitoring field data directly from the machines and being able to make predictions, these results meant savings of 1% in all industries that were applied, experimentally. They had the appropriate vision to realize that there must be an ecosystem for the good performance of the initiative, making an analogy of the impact of 1 billion internet users, the expectations in the 90s, versus the expectation of 50 million connected machines. This led them to understand that there should be an open, collaborative platform that allowed third parties to generate solutions from shared data, such as the example of the flight hours of the Canadian airline. This collaborative platform,  however, involves partnering with competitors, with the risks and opportunities that this entails.

The development of the industrial internet has made other competitors appear on the scene, giants like Google, so GE must rethink in its different areas of development, through its councils, or other new instances these changing scenarios, and monitor the  potential competition of large companies technological, over its traditional competitors.

# What are the next steps? Develop a specific action plan for Beth Comstock and William Ruh to work together to accelerate Industrial Internet efforts over the next five years.

To drive platform adoption, they need to focus on interoperability across the various branches of business.

To push the adoption of the Platform, it must be neutral, scalable, interoperable and flexible between the different branches of business. As noted in the case, there are functionalities that are specific to each business but are not relevant from the point of view of standardization.

This presupposes intensifying the practices of modern system architecture, leveraged in the cloud; as well as agile development practices, will facilitate the transition to the new Platform for the rest of the business units.

What would be the budgets to guarantee sponsorship of the leaders: User Experience, lower TCO, shorter Development cycles.

# Who will be GE's most feared competitor in five years? Why?

In the industrial sector the strongest competitor is Siemens. Siemens is growing in addition to the industrial internet in the world of advanced industrial robotics for the world of automation.

By digital capacity is Google or some other competitor that has strong technological and integrative capabilities (IBM, ABB or some unknown champion in China).

In practice, GE participates in various industries where it has good penetration and presence, despite its internal capacity to adopt the Unified Platform, it could affect it in the medium term.

Overall, the main threat to an ecosystem-level domain for GE will be the advent of an open standard for IoT, decentralized platforms, and cryptography.

For example: Healthcare in India where the need for interoperability, security, privacy converges; Eventually it will be necessary to be able to handle various equipment from different manufacturers on one platform.

# What do you think GE's stock price will be in five years? Will it outperform the market?

General Electric's price will undoubtedly be higher than the current $84 per share. Stocks have currently been affected by external factors (Russian War, pandemic, inflation, etc.) that have a direct impact on the technology industry, however, in 5 more years an economic stabilization is expected and added to a greater adaptation of the industrial internet, at least it would recover the value of 150 dollars per share that cost 5 years ago.

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