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IBM NEW BUSINESS OPPORTUNITIES
Xavier Ferràs, 2016

Rod Adkins was the prototype of the successful IBM executive. At age 42, he was the director of the UNIX business unit, commanding more than 35,000 employees in a structure that generated a turnover of more than 4,000 million dollars a year.

One day in the early 2000s, IBM president Sam Palmisano called Adkins into the president's office.

- Rod, we are very glad with your work. The UNIX division has become a leading organization. It has substantial revenue increases and your unit's performance is best-in-class. Congratulations.
- Thanks Sam. I am very satisfied with the work done. I had the opportunity to create a great team. Without my team, success would have been impossible.
- Without any doubt, you are now one of the top executives we have at IBM, said Palmisano. You represent our best talent. Therefore, we believe it is imperative that IBM use its performance and capabilities to face innovation opportunities. I would like you to propose a new challenge.
- I'm at your disposal, and IBM, Sam, said Adkins, excited, waiting for a possible promotion.
- Perfect, Rod. Well, this is my proposal: we have heard of a new technology called "ubiquitous computing". McKinsey or Gartner talk about it continuously. The supporters of this new technology believe in the complete integration of interconnected devices in useful scenarios for the human being. In these scenarios, an individual can interact with his or her devices and perform any daily task in a new, completely transparent way, and over distributed computers or devices. During their normal activities, someone who is "using" generalized computing is able to simultaneously activate several computing devices and systems, and will often not notice it. This model is considered one more step in the paradigm of the use of desktop computers. The ubiquitous computing models (or “the internet of things”) are characterized by small, hidden robust processors, with network processing capacity, and that are distributed at all levels which comprise the current day-to-day operations at home and are generally integrated into our environment without being especially conspicuous. For example, a ubiquitous domestic computing device could interface lighting and heating systems with a temperature control that makes decisions depending on the time of day and its characteristics. This system could react and change the temperature and light conditions in a house or building, continuously and imperceptibly. I guess IBM has a lot to say in this new scenario. I want IBM to be a leading "player" in this emerging business.
- Well, Sam. Interesting ... But how can I help? I know nothing about this kind of distributed computing or "ubiquitous" paradigm. I have business experience in PC, a lot of experience in fact. I know the global PC market better than anyone. It is a very mature product, but if I had to choose, I’d say I could really be useful in the PC market. Also, in the last few years I have successfully led, as you know, the UNIX division. However, what exactly can I do about distributed computing? This is just an idea, a completely immature technology where no business has yet developed.
- I want you to lead a new distributed computing division, Rod, the IBM president said seriously. If there is a business there, we must get there first.

- But… I don't understand… are you going to restructure my unit? Should I focus my division on this new business? I don't think I have the right skills to do that. I can't imagine the new organization. Maybe you want to tell us that we are going to acquire a new external company? Will the UNIX division take over a new organization?
- No, Rod, it's very simple, we'll create a new division, from scratch.
- But with what resources? Adkins said with obvious concern.
- With the most important resource: talent. The talent that you bring.
- And what budget? What staff? Rod Adkins said, getting more nervous.
- The budget will be assigned once the business plan is defined and approved by the board of directors. For now, you will have $ 100,000 to begin your work on market research, technology development, and team building. You will have an assistant and an office. And you will keep the salary. The bonus will be negotiated in terms of the value created by the new business. Of course, you must leave your current division to lead this exciting new opportunity. Maybe you will be moved to another city, to avoid being contaminated by our old corporate culture. I want you to be fully involved in the new company, full time. I don't want distractions with the old UNIX business, which, on the other hand, is already working quite well.
- Sam, I have to think about it. This is just a start-up. An extremely risky initiative. We have no experience in this new technology. And this is a radical change of focus in my life.
- See you in a week, Rod. We cannot wait any longer. Time-to-market is critical in this business. I am looking forward to one of our best men leading this new opportunity.

Rod Adkins got in the car and started out for his house. He was stunned. After spectacular results in the Unix division, his president was offering him to move on to direct a start-up, a new embryonic project. From having 35,000 employees, to only having one. From sales of 4,000 million to a budget of 100,000 dollars. What was happening? Was it a sincere proposal? Was it a punishment, a demotion for a loss of confidence? Was it an undercover firing? His entire life, from his humble beginnings in Miami, Adkins had been a fighter. His motto was "move forward, move fast," and this was what had guided his upward trajectory at IBM since 1981. But right now, the bewilderment over the unexpected proposal had him totally blocked.