Module 10 (Case: Disruption in Detroit)

Disruptive Innovation & the Problem of Dual Transformation

Please click on the following links to have direct access to the modules. Module 1 - Module 15 is

**M 1
(https://canvas.vt.edu/courses/168287/pages/module-1)**

**M 2
(https://canvas.vt.edu/courses/168287/modules/358672**

Overview

Welcome to Module 10! This module will last from Monday, March 27 @ 12:01 AM to Sunday, April 2 @ 11:59 PM. In this module, we will tackle the problem of dual transformation for incumbent companies, or how do you simultaneously manage your legacy products and value networks while still pursuing potential new disruptive innovations. As we will discuss, this is a challenging task since firms must balance the tensions created from the "resource dependencies" among their current stakeholders (who likely don't want things to change) with pursuing the risk of pursuing a highly speculative new set of opportunities.

The readings this week highlight the core strategic issues here but a key thing to remember is that there is nothing inevitable about the disruptive potential of new innovations. In the lecture, we will also discuss high profile failure of the Segway. In this case, the product, even after receiving enormous hype early on, never gained traction with customers. These kinds of failures increase the difficulties of managing this dual transformation process.

We will be exploring many of these themes with an in-depth discussion of the the challenges of managing the transformation of Ford into a mobility platform. Many companies face enormous challenges in figuring out how to implement a "digital first" mindset and strategy within an organization. Quite often, the traditional methods of product development, manufacturing, customer service, etc. will not always work effectively within these new digital organizations, and so companies must plan carefully for managing these transformation initiatives. Ford applied some of the critical

lessons in disruptive innovation in the automotive industry with mixed success. What do you think are the causes of their failures?

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objectives icon **Objectives**

Upon completion of this module, students will be able to:

- Identify and understand the fundamental challenge of dual transformation in enabling incumbents to manage legacy businesses while pursuing new disruptive innovations.
- Analyze the strategic challenges posed the dual transformation problem.
- Develop and enact key strategic responses to help an incumbent company address the problems of dual transformation.
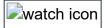

Readings icon **Readings** (3 hours)

Required:

- Read the overview for Module 10
- Innovator's Dilemma: Chapters 5-6 (HBSP Coursepack)
- Two Routes to Resilience (HBSP Coursepack)
- Ford Mobility (HBSP Coursepack)

Optional:

- **What is Digital Transformation?** **(https://www.cio.com/article/3211428/what-is-digital-transformation-a-necessary-disruption.html)**
- **Digital Transformation: Salesforce.com** **(https://www.salesforce.com/products/platform/what-is-digital-transformation/)**

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watch icon **Watch** (45 minutes)

These short videos provide an overview of the key principles and concepts of strategic leadership in complex environments.

- **Lecture 5.1: The Problem of Dual Transformation for Incumbents** **(https://youtu.be/LiQq_ybLKqg)**

(https://youtu.be/LiQq_ybLKqg)

- Lecture PPT Deck: **Lecture 5.1 Dual Transformation (https://canvas.vt.edu/courses/168287/files/26483878/download?wrap=1)**

- **Lecture 5.2: The Solution to Dual Transformation for Incumbents** ➚ **(https://youtu.be/-gTTGZanLxM)**

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(https://youtu.be/-gTTGZanLxM)

- Lecture PPT Deck: **Lecture 5.2 Solving Dual Transformation (https://canvas.vt.edu/courses/168287/files/26483917/download?wrap=1)**

🖼 class activity icon Class Activities

These activities will list the material, assignments, and resources covered throughout this module and are intended to provide you with a "checklist" of activities you will complete each week.

- Read Overview for Module Ten
- Complete Assigned Readings
- **Complete Quiz 10 (https://canvas.vt.edu/courses/168287/quizzes/421339)**
- Watch Lecture 5.1 & 5.2
- **Complete Case #8: Ford Mobility (HBSP Coursepack) (https://canvas.vt.edu/courses/168287/discussion_topics/1525895) (https://canvas.vt.edu/courses/168287/assignments/1681433)**

🖼 Assignment icon Assignment (2 hours)

Please provide more detailed instructions on your class assignments here.

- **Quiz 10 (https://canvas.vt.edu/courses/168287/quizzes/421339)**
- **Case #8: Ford Mobility (https://canvas.vt.edu/courses/168287/discussion_topics/1525895) (https://canvas.vt.edu/courses/168287/discussion_topics/1525895)**

🖼 icon for recitation section Recitation (Optional: 1 hours)

- *Please note that you are not required to attend the weekly optional office hours from 7-8 PM on Thursdays. All weekly Zoom meetings will be recorded. The optional session will be recorded for*

everyone who cannot attend. You will be able to access the video after it finishes processing (usually 24-48 hours after it is recorded) through the Media Gallery (Course) on the left-hand side of the screen here on Canvas.

- **https://virginiatech.zoom.us/j/81038408606** ⮕ **(https://virginiatech.zoom.us/j/81038408606)**

| icon image for optional materials section | **Optional Materials** |

Please find the following optional materials for the module.

- **Digital Transformation & Artificial Intelligence** ⮕ **(https://towardsdatascience.com/how-ai-and-digital-transformation-will-change-your-business-forever-c7563c15c1b3)**