

MGNT4090 Technology and Innovation Management

2020 - 21

Prof. Hong HUI

Wk4

- Corporate Transformation



Tasks to do in Feb


- Practice your Learning Capabilities

- Submit **interim project presentation** ppt on **Feb08 Mon** 11:00am
 - Situation Analysis
 - Problem Identification
 - Conduct Interim Presentation (10min) on **Feb09 Tue**
 - All members should participate
- Submit **Individual Assignment** ppt (Tech Topic) on **Feb22 Mon** 11:00am
- Case Review
 - Stitch Fix & AccorHotels
- Project Assigned
- *Have you started your Reading Habit?*



Group Project Requirement

- Practice Transformation Skills

- **Interim Group Presentation (Situation Analysis & Problem Identification) – Wk5**
 - PEST
 - Industry Analysis
 - Competition Landscape
 - China Country
 - Problem Identification
 - **Top3 Problems** (Current; Adjacent; Frontier)
- **Final Group Presentation Content Checklist – Wk10**


CUHK 2020-21 Term2 Group Presentation Content Checklist

Group Project Presentation Content Checklist – Company Transformation

Present a story in 20 min by using a MS ppt format that covers the following main points:

 1. Hypothesis: A Winning Company
 2. The Future World
 3. Executive Summary (Strategy Map; Technology Strategy)
 4. The Current Situation
 - Company Background
 - Business Performance & Product Portfolio
 - The PEST (China country & customers)
 - The Industry Trends (multi-industries)
 - The Competition Landscape (within & across industries)
 - The SWOT
 - The Problem Identification
 - Core Problem; Adjacent Problem; Frontier Problem
 5. Proposed New Vision
 6. Recommended Solutions (Use of Blue Ocean; New Tech)
 - Core Problem Solution
 - Adjacent Problem Solution
 - Frontier Problem Solution
 7. Conclusion - A Winning Company
 8. Appendix - Sources of Information from HBR, BCG & Mck

CUHK2021

Technology and Innovation Management

3

Wk3 Review

- Product & Business Model Innovation

- **Everyone can be trained with Creativity & Innovation**
 - Creative Products
 - New Business Models
- **Every Company should be a Technology Company**
 - **Leverage the Basic Characteristics in New Economy (New Business Models)**
 - Platform
 - Sharing
 - Personalization
- **To Become**
 - **A Data Centric Organization**
 - **A Customer Centric Organization**
- **Hypothesis: A Winning Company Architecture**
 - Supported by theories, leading companies & entrepreneurs



CUHK2021

Technology & Innovation Management

4

A Winning Company

- Leaders have to drive an Integrated Strategy

- **There is no Business as Usual but your Imagination**

- Know the Industries
- Know the Technologies
- Know the Customers

- **Expert in Strategy**
- **Imagine the Future**

- **Corporate Transformation**
 - Performance + Portfolio First
- **Digital Transformation**
 - Customer Journey
 - Next Gen of Product
 - Operational Productivity

1

2

- **Execute in a fast & effective manner**

- **Create the Future**

— From Creativity to Transformation



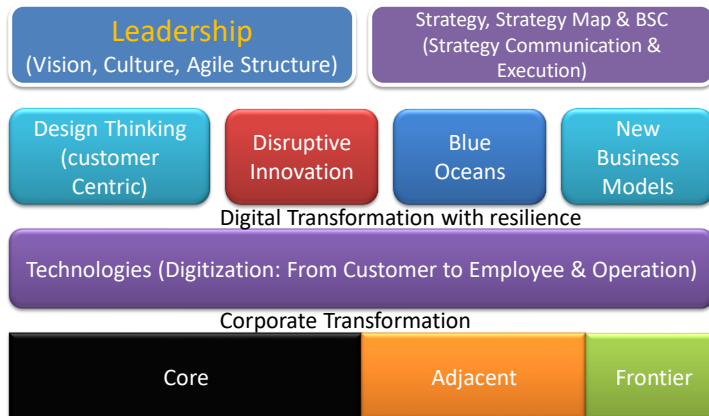
CUHK2021

Technology & Innovation Management

5

A Winning Company Architecture

- The Hypothesis (Theories + Practices + Cases)



2017 Edition

CUHK2021

Technology & Innovation Management

6

Wk4 Agenda

- An Important Lecture as Foundation

- **More than the SM Process**
 - The Strategy Map
 - Link the Transformation across Industries into Future
- **Tutorial Session**
 - Case Study: Amazon
 - Group Discussion
 - Situation Analysis
 - Problem Identification
- **The Corporate Transformation**
 - New Competition Landscape
 - The Transformation Framework
 - The Dual Transformation Practice
- **The Transformation Example**
 - Chart the Vision
 - Examples in Fashion Industry



CUHK2021

Technology & Innovation Management

7



The SM Process to 2030

- From **Future** To **Current**

Assumption: You should already familiar with the **SM process** and the classical strategies

- **Business Level Strategy 1020** (Michael Porter)
- **Corporate Level Strategy 4010** (Growth)



The Basic Assumptions

- Old Economy: Physical Store; # of Stores

• Two Important Assumptions

- 1. You know the Strategic Management Process
- 2. You know the Corporate & Business level Strategies in details
 - **Example:** What is the main the difference between business level (**Competition**) & corporate level (**Growth**) strategy?
 - From Cost Leadership to Differentiation
 - From Single to Multiple Businesses

• You can change your strategy to move up or down and diversify your portfolio

- **Example1:** Is it a good idea to move **LV** downwards from differentiation focus to differentiation?
- **Example2:** What about we cover both the high end & low end with different brands?



CUHK2021

Technology & Innovation Management

9

The Purpose of the Situation Analysis

- Know your Current Position & Future Destination

• Not simply to Identify the Current Problem(s)

- Able to identify the Future Problems (Gap to Transform)

• External Environment Analysis (**Might involve more than one industry**)

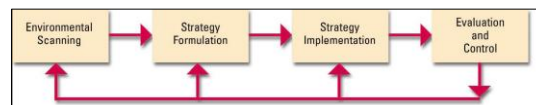
- PEST
- 5 Forces & Industry Trends
- Competitor Analysis

• Internal Environment Analysis

- Company Background & Performance
- Value Chain
- Core Competence
- The Current Vision & Strategies

• The Logical Steps

- External Environment Analysis
- Internal Environment Analysis
- Consolidate into SWOT
- Problem Identification
 - **P1:** Core
 - **P2:** Adjacent
 - **P3:** Frontier
- Set the **New Vision**
- Formulate the new Strategies & Propose Solutions & Execution Plan



CUHK2021

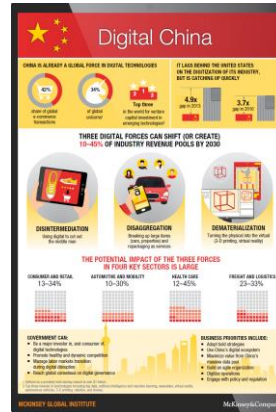
Technology & Innovation Management

10

Conduct the PEST

- The China Situation (1st country to experiment New Normal)

- **Trade War**
 - Regionalization
- **COVID-19**
 - The New Normal
 - Impact to Industries
- Global Supply Chain
 - Regional & Local Supply
- 2nd largest economy & market
- **The Chinese Customers**
 - Aging Population
 - Increasing Middle Class
 - The Young People
 - Gen Z (born in 1996-2010)
 - Changing behavior after COVID-19
- **The Technology Disruption**



CUHK2021

Technology & Innovation Management

11

Study the Industries

- Example: Fashion

- **What is your Point of View?**
 - *After conducting the comprehensive research*
- **The Trends**
 - **Sustainability**
 - 2nd Hand Selling
 - Rental
 - Upcycling
 - **Personalization**
 - Recommendation
 - Made to Order
- **How to Disrupt into Future**
 - Fashion as a Solution & Lifestyle
 - Fashion in a Box with recommendation engine
 - Renting & Sharing
 - Green Fashion
 - Smart Fashion
 - 3D Printing Fashion
 - Repair, Recycling & Upcycling Services
 - ...



CUHK2021

Technology & Innovation Management

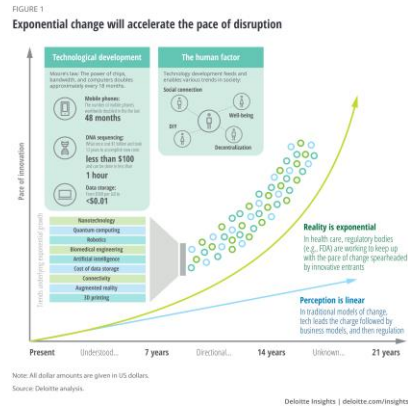
12

Study the Industries

- Example: Healthcare

- **Consumer Power**
 - From Retail to **Healthcare**
- **The Future Trends**
 - **Community Health Center**
 - Telemedicine
 - Connected Sensors
 - Remote Diagnosis
 - Central Data Repository Sharing
 - Healthcare as a Service
 - Data and technology will enable consumers to address many routine health issues at home
 - Organizations will need to shift business models to align with consumers now having the **power of choice**

• The Force of Change + COVID19



CUHK2021

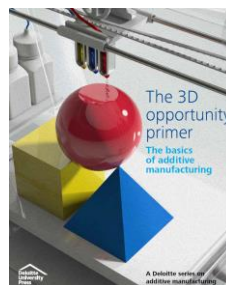
Technology & Innovation Management

13

Know the Technologies

- The Digital Transformation

- Why we have to become a data driven organization?
 - What are the capabilities of Analytics?
 - How to leverage technologies to improve customer experience?
 - How to leverage technologies to create new ways of doing things?
 - How to leverage technologies to create the next generation of products?
- **Reference related articles to prepare your Tech assignment**



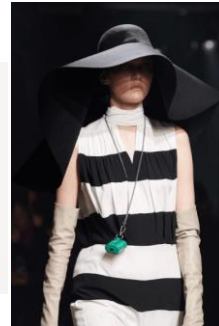
CUHK2021

Technology & Innovation Management

14

Understand the Competition Landscape

- **A Comprehensive Review**
 - Online players
 - Classical players
 - *Who creates the Trends?*
 - Disruptors
- **Why you might be the Winner after Transformation?**
 - Explain
 - The Customer Pain
 - The Added Value as compared with other players
- **Examples (who is the winner?)**
 - Amazon Fashion
 - Zara
 - Stitch Fix



CUHK2021

Technology & Innovation Management

15

Know the Customers

- Young People; Middle Class; Elderly

- *Do you really understand your target customers? Listen to their PAINS*



CUHK2021

Technology & Innovation Management

16

Know the Company Situation

- Are they ready for the Future?

- **The Company Background**
 - The Founder & CEO
 - Current Vision & Plan
 - **The Business Performance**
 - COVID-19 Impact
 - # of Stores
 - The Business & Corporate level Strategies
 - **The Existing Business & Product Portfolio**
 - **The Current Business Models**
- Once you know the **starting position** (External Environment & Internal Environment) as well as the predicted future, then you can consolidate into **SWOT**
 - Identify Problems (**Gap**)
 - **Plan the Company Transformation**

CUHK2021

Technology & Innovation Management

17

Identify the Problems

- The more we know the Future, the larger the Gap

- **Identify the Gap (Current + Future)**
 - New Regulations
 - Changing Customer Taste
 - New Disruptors
 - Mature Products & Market
 - Poor Product Design
 - ... Post COVID-19
- **Close the Gap**
 - Dominate the Core
 - Diversify & Grow to Create the Future
 - **A Winning Company**
 - Leverage Tech
 - Create Blue Oceans
 - Use New Business Models
 - Establish Platform & Ecosystem



CUHK2021

Technology & Innovation Management

18

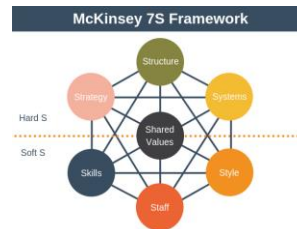
Examples of Problem

• Root causes of Poor Business Performance

- Lack of Quality
- Lack of Product Design
- Lack of Value for Money
- Lack of Good Services
- Lack of Brand Awareness & Loyalty
 - The DNAs
 - The Customer Community
- **Poor Online Support**
- The Supply Chain
- External Uncontrollable Factors
- Internal Factors (People, System, Process)
- Not able to satisfy the **Unmet Needs**
 - Changing Customer Needs
 - Sustainability
 - Job to be Done

• The New Wish List

- The Tech Function of the Future
- Customer Journey & Experience (Online + Physical)
- The Future Store
- Personalization
- Solution Provider
- Resilience



CUHK2021

Technology & Innovation Management

19

Example - Why Gucci & Prada can Turnaround?

• What about Burberry?

- Start from **Trench Coats**
- Business performance was not good
 - **Why?**



• What about Prada?

- Start from **Leather Goods**
- Business performance was not good
 - **Why?**



CUHK2021

Technology & Innovation Management

20

Example - Riccardo Tisci Outlines His Revolutionary Vision For Burberry

- **Burberry Reborn**

- A New CEO
- A New Designer
- A New Logo
- New Collection
- New Collaboration
 - The Burberry And Vivienne Westwood Collection
- New Campaigns
- New Burberry Girls
- ... Future store

- **Is it a Great Transformation?**



CUHK2021

Technology & Innovation Management

21

Paint the Future Winning Company

- The Big Picture to Transform

- **Pain the Future**

- From the Problem Identified
- Set the **New Vision**
 - Redefine the Future Destination
- Propose Solutions (The Transformation)
- Draft a **Strategy Map**
 - Link the Future to the Current

- **Supported with Theories**

- Creativity Theories
- Blue Oceans
- Disruptive Innovation

- **Supported with Success Stories in the New Economy**

- Amazon
- Netflix
- Stitch Fix

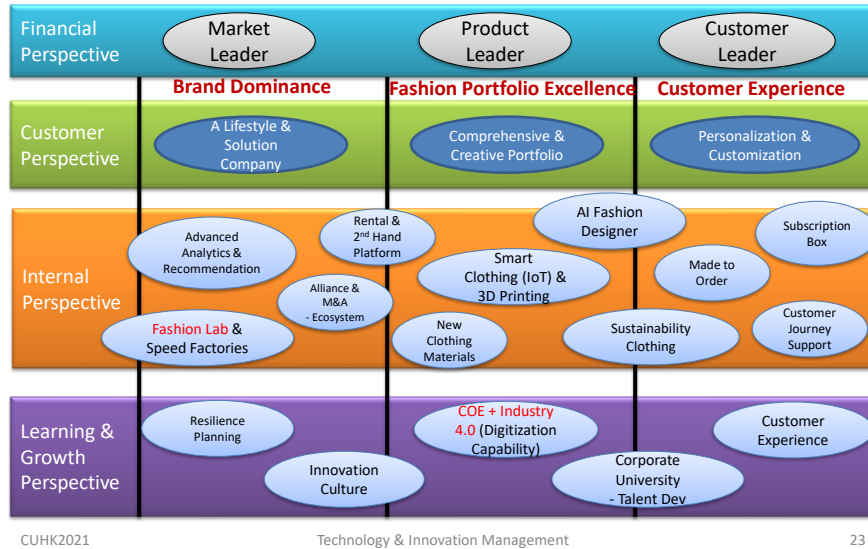
CUHK2021

Technology & Innovation Management

22

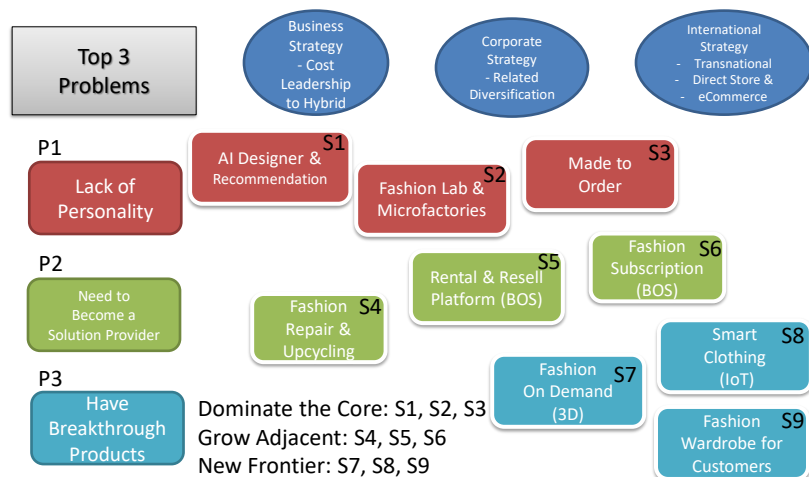
A Fashion Company Strategy Map

- The Roadmap to Realize the Dream



Example - The Corporate & Digital Transformation Roadmap

From Current to New Strategy



The SM Process – Q&A Session

Reset in the New Normal & Imagine the Future



The Corporate Transformation

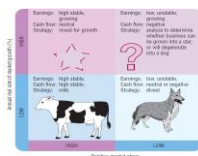
- Supported by Digital Transformation & Blue Oceans

How to grow in a Systematic Way?

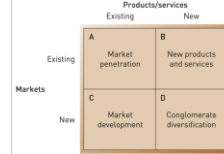
- Portfolio of Products & New Businesses

(Innovation Management – Growth Engine)

BcG Growth Share Matrix



Product Market Growth Matrix



Balanced Approach to Manage Performance & Health

- **Pay Attention to Both Performance & Health**

- **Five Frames to Manage Change to ensure Performance**

- Where do we want to go?
 - How ready are we to go there?
 - What must we do to get there?
 - How do we manage the journey?
 - How do we continue to improve?

- **Organization Health (People, Capabilities & Mindset)**

- Leadership Factory
 - Continuous Improvement & Growth Engine
 - Talent & Knowledge Core
 - Market Shaper



CUHK2021

Technology & Innovation Management

27

Incumbent versus Disruptor

- **The New Competition Landscape**

- e-Commerce Giants
 - **Disruptors**
 - Tech Startup
 - Sharing Economy Players
 - Classical Competitors
 - Lifestyle Companies
- **Every Company has a chance to Win**
 - BMW vs Tesla vs Uber
 - Classical Hotel vs citizenM vs Airbnb
 - Zara vs Amazon Fashion vs Stitch Fix

- **A Technology Company has advantage to transform into multi-businesses company**
- **But, it's not easy for a non-IT company to become a Technology Company**
- **CSF: Leadership & Passion**



CUHK2021

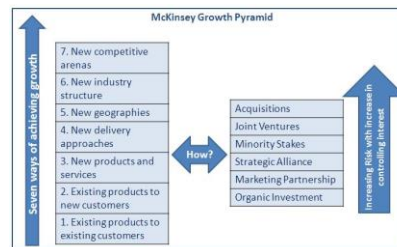
Technology & Innovation Management

28

The Common Growth Options

- Product, Business Portfolio & Oversea Markets

- The Corporate Portfolio
- The Geographic Expansion
 - Globalization vs **Regionalization**
 - Netflix, Airbnb
 - TikTok, Xiaomi
- Mergers & Acquisition
- Business Model Innovation
- Blue Oceans
- Disruptive Innovation
- Go-to-market Transformation
- Single versus Multi Businesses
- Integration & Diversification
- ... **reference tools & templates**



CUHK2021

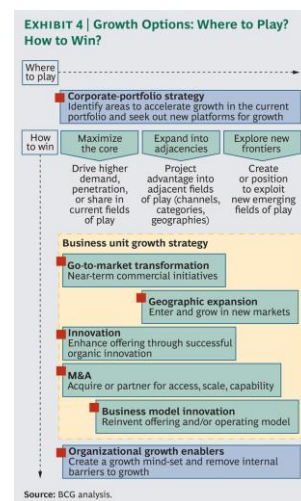
Technology & Innovation Management

29

The Transformation Framework

- From Present to Future Horizon

- **Irrespective to your starting position, you need to have a balanced focus on**
- **Dominate the Core**
 - Maintain a leading position (**generate cash to invest**)
 - Uber Sharing Car
- **Expand into Adjacencies**
 - Related or Unrelated Diversification
 - A new market (BOS)
 - Uber Eat, Connect, Freight, Elevate
- **Explore new Frontiers**
 - Leverage technologies to create the Future
 - Uber the Future?



CUHK2021

Technology & Innovation Management

30

How to Win

• Must Dominate the Core

- **Funding the Journey.** Launch short-term, no-regret moves to establish momentum and to free up capital to fuel new growth engines
- **Winning in the Medium Term.** Develop a business model and operating model to increase competitive advantage
- **Building the Right Team, Organization, and Culture.** Set up the organization for sustainable high performance

• A Journey

EXHIBIT 2 | BCG's Transformation Framework Has Three Components

Funding the journey <ul style="list-style-type: none"> Launch short-term, no-regret moves to create momentum and free up capital Simplify the organization Increase capital efficiency Reduce costs 	Winning in the medium term <ul style="list-style-type: none"> Establish the strategic direction for growth Revamp the business model Develop a new target operating model Implement end-to-end lean
Building the right team, organization, and culture <ul style="list-style-type: none"> Ensure that the senior management team is leading from the front Deploy change management to ensure that people are ready, willing, and able to change Install a human resources team that can act as a transformation partner Identify and develop talent to fill the critical roles required to transform Develop a culture to support high performance 	

Source: BCG analysis.

CUHK2021

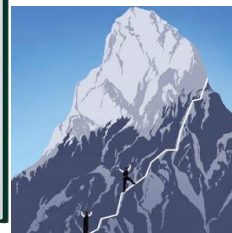
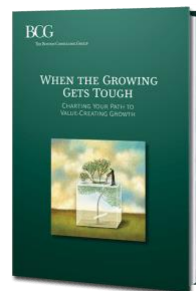
Technology & Innovation Management

31

The Reference Books

• BCG Articles/Books

- When the growing gets tough
- The New CEO's guide to Transformation
- Transformation – delivering and sustaining breakthrough performance
- A Leader's Guide to always on Transformation



CUHK2021

Technology & Innovation Management

32

Example – Agnes b Transformation

- Old Economy Approach

- **Agnes b in a Few Years**
 - A Fashion Company
 - A Café Shop
 - A Flower Shop
 - A Chocolate Shop
 - A Lifestyle Company
- **A Lifestyle Company**
 - What should be **Agnes b 2.0** after COVID-19?



CUHK2021

Technology & Innovation Management

33

Example – MUJI Transformation

- Old Economy Approach

- **MUJI**
 - Started from stationary, fashion, to book, cold food, vegetables, fruit, tea, rice, snack, drink, kitchen items, Café & Meal, home & hotel
 - *Is Muji diversified too much – **MUJiness** ?*
- **What about the other typical companies such as**
 - Zara2.0
 - LEGO2.0
 - IKEA2.0
 - How to become a **Winning Company**?



Future of retail operations: Winning in a digital era

CUHK2021

Technology & Innovation Management

34

A Dual Transformation Practice

- (Build the New Capabilities)

Theory, Templates & Examples



The Dual Transformation

- **How to Lead transformation for your company?**
 - **Dual Transformation**
- **Transformation A**
 - Reposition today's business to maximize its resilience (**Urgent Pain**)
- **Transformation B**
 - Create tomorrow's **growth engine**
- **Capabilities Link**
 - Use unique skills and resources that give you an advantage



Common Discussion Questions

- Future Oriented (eg New Normal)

1 | Leadership Discussion Questions



If you are looking to start a conversation with your leadership team about the concepts in Dual Transformation, consider the following questions:

1. Which **disruptive trends** have the potential to change our competitive landscape?
2. What is the **new way in which we will compete** in today's core? What old metrics are no longer relevant? Which new ones are?
3. What are the **most exciting growth opportunities** that are now options for us?
4. Who will be **our new competitors**? What unique capabilities will allow us to win?
5. How will we **sharpen current capabilities** and build new ones?
6. If we successfully execute, **who will we become?** What will be different? What will be the same?
7. What **organizational changes** will maximize our chances of success? What things, if we don't change, will inhibit success?

CUHK2021

Technology & Innovation Management

37

Transformation A

- Reposition your Core

- **Find new possibilities for addressing existing markets**

- Identifying the unique **job to be done** you can continue to solve for your **current customers**
- Innovating your **new business model** to deliver against the job



TRANSFORMATION A:

Find new possibilities for addressing existing market(s)

Many successful businesses face a growth challenge in the core markets they currently dominate. At the same time, upstart challengers may be nipping at their heels with cheaper, easier, more accessible solutions. What's the answer? Preserve your leadership position by:

1. **Identifying** the unique job to be done you can continue to solve for your current customers—and what no longer matters as much.
2. **Innovating** your business model to deliver against the job.
3. **Determining** and monitoring new metrics.
4. **Implementing** aggressively.

CUHK2021

Technology & Innovation Management

38

Transformation B

- Require New Approaches & Capabilities

- **Creating a Powerful new Growth Engine**

- Looking to **new markets**, **new customers** (non existing customers) and new business models are a big strategic challenge



TRANSFORMATION B:
Creating a powerful new growth engine

For successful companies, future growth often has to be found outside their core markets. But looking to new markets, new customers, and new business models is a big strategic challenge that requires new approaches and capabilities. The new business will look very different from today's. Here's how to pursue B:

- **Identify constrained markets**, a new problem that a significant group of customers wants to solve but can't, because of a lack of specialized skills, insufficient wealth, or having to travel to inconvenient/inaccessible locations.
- **Break down the "consumption barriers"** that keep cheaper, more convenient solutions out of reach.
- **Iteratively develop** the new business model required to serve the new market and power the future.
- **Use partnerships, acquisitions, and new hires** to succeed against a new competitive set.


CUHK2021

Technology & Innovation Management

39

Opportunity Identification

- Identify New Important Job to be Done

8.2 | Transformation B Strategic Opportunity Identification Guide 

Now, describe and analyze each short-listed opportunity using the following template:

KEY QUESTION	PROPOSED ANSWER	ASSESSMENT SCORE (from 1 (highly disagree) to 5 (highly agree))
What problem will you address (job to be done?)		The problem is important and unsatisfied. ★
Who struggles the most acutely with this problem today?		A large number of people face this problem. ★
How do you propose addressing the problem?		The solution is achievable without requiring miracles.
Why is now the right time for us to pursue this?		The area fits our capabilities and underlying trends.
		TOTAL SCORE*

*Clearly, higher scores are better than lower ones, and scores about 15 generally suggest high-priority opportunity areas. The most critical question, from our view, is the first one. If you aren't targeting an important problem, the rest of the answers are somewhat irrelevant.

CUHK2021


Technology & Innovation Management

40

Capabilities Link

- Core + New (bias to support creating the future)

- **Combine unique, difficult to replicate assets with internal entrepreneurial energy**
 - Select the right core capabilities
 - To bring a competitive advantage to the new venture
 - **Find new capabilities required**
 - Manage strategically
 - Develop systems and teams
 - Arbitrate actively
 - With a bias to protect **transformation B**



CAPABILITIES LINK:
Combine unique, difficult-to-replicate assets with internal entrepreneurial energy

The most difficult part of a Dual Transformation is the wise use of the company's skills and resources: leveraging valuable assets like brand, distribution, and accumulated know-how to build the new growth engine the company needs. This "capabilities link" is a bridge from the company of today to the growth leader of tomorrow. The most helpful principles in managing your capabilities link:

- **Stock selectively.** Most core capabilities won't help the new growth initiative. Use only those that truly bring a competitive advantage to the new venture.
- **Manage strategically.** Develop systems, create formal exchange teams, and institute transfer pricing to ward off the "innovator's dilemma" (privileging today's business over creating the future).
- **Arbitrate actively.** Top leadership needs to actively arbitrate the interface between A and B, with a bias to protecting transformation B.

CUHK2021

Technology & Innovation Management

41

A Transformation Map

- Plan & Launch Initiatives for A + B

3.1 | Three-year Transformation Map



Not every transformation is the same, but our experience is that it takes three years to show meaningful progress. Map these transformation milestones onto the 36-month timeline on the next page

Sample Milestones

STRATEGY/PROGRAM	TRANSFORMATION A	TRANSFORMATION B	CAPABILITIES LINK
<ul style="list-style-type: none"> • Change imperative defined • Future state target determined • Growth gap assessment calculated • Alignment around future-back strategy • Creation of stakeholder engagement plan • Implementation of governance mechanism • ... 	<ul style="list-style-type: none"> • Postdisruption job to be done identified • Future business model blueprinted • Plan formulated • Plan executed • ... 	<ul style="list-style-type: none"> • Strategic opportunity areas identified • New growth unit formed • Pilots executed • First dollar of revenues earned • Plan to plug capabilities gap created • Plan to plug capabilities gap executed • Transformation B >20% of total enterprise • ... 	<ul style="list-style-type: none"> • Strategic capabilities identified • Link management approach determined • Capabilities link activated • ...

CUHK2021

Technology & Innovation Management

42

Example – Adobe Transformation

- New Economy Approach

- **Adobe**

- Between 1982 and 2007, Adobe's Photoshop and Illustrator programs grew to dominate creative businesses like advertising and marketing
 - Cloud based software as a service was accelerating rapidly as early as 2004
 - Salesforce.com pioneered the business model

It took **7 years** for digital marketing at Adobe to become one-third as big as its traditional business

- **Transformation A**

- Adobe launched Photoshop Express in 2008 to test the SaaS market
- In 2011, it introduced the Creative Cloud, **a new subscription based business model**

- **Transformation B**

- Its software played a key role in content creation but no role in the rest of the marketing value chain
- Adobe launched a targeted suite of **digital marketing solutions**

- **Capabilities Link**

- Leveraged brand, talent & distribution

CUHK2021

Technology & Innovation Management

43

Example – Amazon Transformation

- New Economy Approach

- **The Online retail giant developed technology to streamline internal operations, then turned it into a highly profitable web services business**

- Before Transformation
 - Amazon has always been growing explosively as the world's leading online retailer



- **Core**

- Amazon has steadily added adjacent retail categories

- **New Growth**

- The **Amazon Web Services** grew into a cloud computing platform and accounted for more than half of the company's operating profit

- **Financial: Revenue leaped 900% from 2006 to 2015**

CUHK2021

Technology & Innovation Management

44

The Transformation Examples (Fashion Industry from different Companies)



Start with a New Vision

- **We have more flexibilities & possibilities**
 - Not being bounded by a single industry, and the existing business models
 - Can develop a new platform & ecosystem
 - Become a solution provider and a lifestyle company
- **The Sky is the Limit**
 - Envisage a future world
 - Then persist & invest in building it
 - Create **new advantage**



Establish the Company Specific DNA

- Versace (2018, 2019)



時尚會變，唯獨風格歷久不衰。(Fashion changes, but style endures)

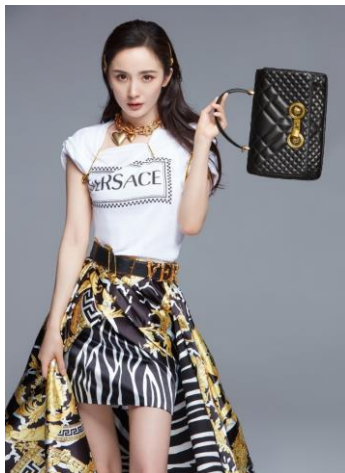
CUHK2021

Technology & Innovation Management

47

Can you Recognise the Brand?

- Versace (2020, 2021)



CUHK2021

Technology & Innovation Management

48

Drive a Balanced Portfolio

- Determine your Mix (From 70:20:10 to **50:30:20**)

- **Dominate/Reposition the Core (Survive in the New Normal)**
 - Next generation of Products & Services
 - Next generation of Manufacturing
 - Next generation of Sales & Marketing
 - ... build a platform to maintain customer profile then predict & match needs by leveraging data, analytics & AI
- **Grow Adjacent**
 - Diversify Products
 - Diversify Businesses across Industries
 - Create a New market space
- **Explore New Frontiers by using technologies (DI & BOS)**
 - AI & Robotics
 - VR/AR
 - IoT
 - 3D Printing
 - ... provide business value & strengthen customer experience

CUHK2021

Technology & Innovation Management

49

General Examples in Fashion

- Fashion with a Purpose (Green, Smart)



Reposition the Core (1)

- Courage to Disrupt Ourselves Continuously
- How can we have a breakthrough?
- Personalization; Made to Order



See Now Buy now 2.0?

- **Disrupt the Fashion Industry**

- See Now Buy Now (Sept 2016)

- **Burberry** has its own global network of stores and the power to buy fabrics and create stock in readiness for a simultaneous showing and selling bonanza on release day
 - Not everyone in fashion can gear up to do that

- Can we produce new fashion on a weekly/monthly basis?



Coach Create 2017

- **You Design, We Create it**

- Accessorize It
- Personalize It
- Customize It
- Make it to Order



CUHK2021

Technology & Innovation Management

53

LV Now Yours Run Away 2018

- **Personalization Services**

- Allows you to customize your Run Away sneakers with a selection of colors, materials, and stripes. Add your initials for an extra personalized touch. Each pair will be a unique creation. Thirteen customizable zones with nine colors, three materials, and two metallic finishes

- **NOW YOURS Personalization Services**

- Ready to Wear
- Leather Goods
- Sneakers



CUHK2021

Technology & Innovation Management

54

Prada Double Match 2019

- **Made to Measure**



- Let the customer combines the iconic prints to create unique garments with striking mixes and lively color combinations



CUHK2021

Technology & Innovation Management

55

The Fast Fashion Model 2.0?

- **Disrupt the High-end Fashion**

- **Zara** design and distribute a garment to market in just fifteen days
- This "**fast fashion**" system depends on a constant exchange of information throughout every part of Zara's supply chain—from customers to store managers, to market specialists and designers, to production staff, from buyers to subcontractors, from warehouse managers to distributors, and so on

- **Business Ethics Issue**

- Zara often beats the high-fashion houses to the market and offers almost the same products, made with less expensive fabric, at much lower prices

- **Can we use AI as Fashion Designer?**



CUHK2021

Technology & Innovation Management

56

Is Uniqlo a Fast Fashion?

- **How should we re-position the Core Business of Uniqlo & transform it into Future?**

- Basic Style vs Trendy
- Physical Store vs Online
- Leverage Technologies



CUHK2021

Technology & Innovation Management

- **Uniqlo 2020 Fall**



- **Uniqlo 2021 Spring**



57

The Customer Journey 2.0

- Happy Experience across the whole Journey

- **Journey Design**

- **Listen to voice of customers**
 - Website is not updated timely
 - Product is not available in physical store
 - Not able to provide a caring service
- Remove pain points
- Inject wow moments
- Support **Omni channels**
 - Sales & Marketing
 - Customer Care
 - **Journey Design**
- **Empower employees**
- Monitor by KPIs

- **Can we have a 'Wow' experience?**

The ideal customer-experience measurement system puts journeys at the center and connects them to other critical elements.



McKinsey&Company | Source: McKinsey analysis

CUHK2021

Technology & Innovation Management

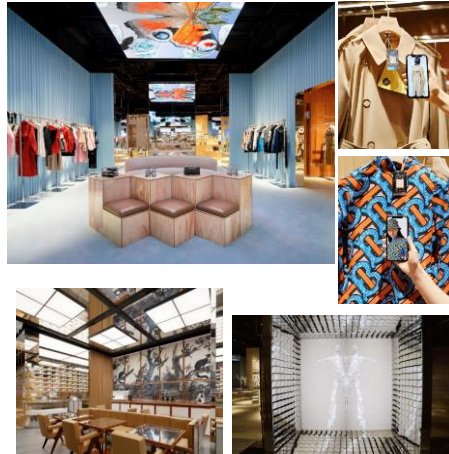
58

Burberry Concept Store 2020

- In SZ, China (A Social Retail Store)

- The store will integrate social media and gaming with the shopping experience in ways that go far beyond your average dressing-room selfie

- Using Burberry's new WeChat mini platform, customers can not only book appointments, reserve fitting rooms, or make a reservation at the store's café with the app but also accrue "social currency." Think of it like a credit card rewards program, only on social media: The more you use it, and share content, the more rewards you unlock
- All products are labeled with QR codes that, when scanned, reveal additional content



CUHK2021

Technology & Innovation Management

59

Grow Adjacent (2)

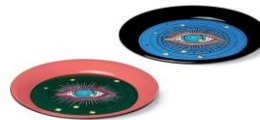
- Related/Unrelated Diversification

To inline with Vision



Gucci Decor

- **Home Accessories and Furnishings**



CUHK2021

Technology & Innovation Management

61

How to make it Smart?

- Versace

- **From Related to Un-related**

- **Fashion Company**

- Clothing
- Handbag
- Shoes
- Watches
- Beauty
- Other Accessories
- **Home Collection**

- **What else?**

- VR Café Restaurant
- 3D Print Accessories
- Smart Furniture ...



CUHK2021

Technology & Innovation Management

62

How to make it Mujiness?

- **MUJI**
 - **Simple Lifestyle**
 - Stationary
 - Food items
 - Clothing
 - Café
 - Meal
 - House
 - Hotel
 - ...
- **How to do the Corporate & Digital Transformation?**
 - Next Generation Lifestyle (Green; Simple)



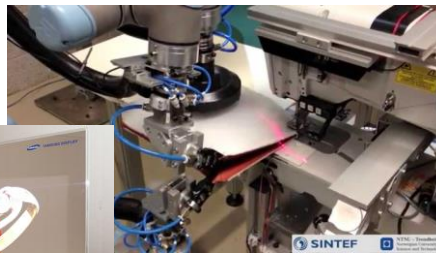
CUHK2021

Technology & Innovation Management

63

Explore New Frontiers (3)

- **Disruptive Innovation**; **Blue Ocean**



Cheongsam (qipao) Specialty Dress Store

- Affordable with Chinese Handicraft

- Fusion with Western design by using Tech
- **> 200 years Journey**
- **Affordable** with good quality & new clothing materials



CUHK2021

Technology & Innovation Management

65

Smart Clothing for Aging People

- **Elderly clothing** is a line of clothing that is both age appropriate, easy to wear and easy to care for
 - Good Quality
 - Light Weight
 - Able to keep Warm
 - Value for Money
 - But also Trendy
 - ...
- From Niche market to Mass market



CUHK2021

Technology & Innovation Management

66

FashionTech

- Tech + Industry

- **Techpacker**

- Its an online design creation platform that helps to make the design to product process more efficient (A **Bridge** between the designer & manufacturers)
- Tech packs turn a design concept into a precise **blueprint** for manufacturers
- Manufacturers work according to the measurements and other specifications in the tech pack

- **LXN**

- A collection of premium European 100% cotton dress shirts with **advanced** functions
 - Anti sweat marks
 - Stain and water resistant
 - Quick dry
 - Easy iron
 - Highly breathable



CUHK2021

Technology & Innovation Management

67

3D Printing Store

- What about Fashion & Accessories?

- **Modern 3D printers allow customers to choose from a library of uniquely delicious chocolate structures**

- Users can also create original designs out of chocolate -uploading the design into the printer library, in much the same way that original plastic models are created on regular 3D printers

- **Chocolate Printing**



CUHK2021

Technology & Innovation Management

68

The Corporate Transformation

Example – Q&A Session



Tutorial Session

- **Corporate Transformation Discussion**
 - Typical Question to every Large Corporation
 - How to Transform, the company2.0?
 - MUJI
 - Zara
 - BMW
 - AccorHotels
 - LEGO
- **Case – Amazon Transformation**
 - Core
 - Adjacent
 - New Frontier
- **Group Discussion**
 - Situation Analysis
 - Problem Identification
 - Current, Adjacent, Future
 - **Submit an Interim Presentation draft to me on Feb08 11am (ppt format)**



Case Study – Amazon

- **Amazon.com** was founded by Jeff Bezos on 1994 selling books online. In 1998, Amazon moved beyond the book category into movies and television shows and became the leading online video retailer
- In 1999, the company aggressively entered more categories, including toys and electronics, home improvements and tools then video games, furniture and kitchenware
- By far the biggest investment during these years was Amazon's launch of Amazon Web Services (AWS) in 2002
- **1. Use the strategic framework to describe the transformation of Amazon**
 - Try to give examples on core, adjacent & new frontiers



CUHK2021

Technology & Innovation Management

71

Group Discussion

- Situation Analysis & Problem Identification

- **Have you got a solid idea on the Future for your assigned company?**
 - Across Industries
- **1. Complete a Comprehensive Situation Analysis**
 - External & Internal Environment Analysis
 - SWOT
- **2. Finalize Problem Identification**
 - Core Problem
 - Adjacent Problem
 - New Frontier Problem
- **3. Complete a Draft of Interim Group Presentation (10min)**
 - Submit ppt on Feb08 11:00am
 - Present on Feb09 Tue afternoon
- **How's your progress on Individual Assignment?**
 - The Tech Report
 - Feel free to chat with me



CUHK2021

Technology & Innovation Management

72