

Gupta offers guidance on business world's changes

Posted: Sunday, September 30, 2018

"Driving Digital Strategy: A Guide to Reimagining Your Business" by Sunil Gupta. Boston: Harvard University Press, 2018, 288 pages, \$32 (hardcover).



“Disruption and transformation get a lot of hype, and for good reason,” Sunil Gupta notes in the introduction to “Driving Digital Strategy: A Guide to Reimagining Your Business,” his new treatise on the technological revolution enveloping global commerce. “Digital technologies have had a profound impact on the world, disrupting entire industries while also enabling companies such as Facebook and Amazon to achieve exponential growth.”

“There’s no doubt that incumbents have struggled as new and nimble players have emerged with innovative business models,” he explains. “But there’s also a more important story to tell: as much as digital has posed a threat to the old guard, and continues to do so, it also presents an endless number of opportunities for companies from traditional industries.”

Structurally, “Driving Digital Strategies” is comprised of an introduction and 12 chapters arranged in four major sections: “Reimagine Your Business,” “Re-evaluate Your Value Chain,” “Reconnect with Your Customers” and “Rebuild Your Organization.” One of the defining themes reiterated throughout Gupta’s narrative is the undeniable reality that the digital revolution is not

limited to “tech” companies – it is an unstoppable movement permeating every industry. Consider the following description from “Business Scope,” the inaugural chapter, of how the transportation industry is being constantly modified by advances that would not have been possible without the advent of smartphones:

“Automobile companies, which used to see themselves as being strictly in the business of manufacturing and selling vehicles, have to wake up to the new competition from ride-sharing companies like Uber, which are providing mobility without the need to own or even lease a car. Now, as a defensive move, all automakers are positioning themselves within the ‘mobility’ business and offering their own ride-sharing services, even though these services have the potential to reduce the demand for cars, a concern shared by most auto manufacturers. However, these services, such as Mercedes car2go and BMW Drive Now, also have the potential to generate interest among millennials, who may not have considered these brands otherwise but who will do so on a low-cost, trial basis, possibly leading to greater brand loyalty in the future.”

Unless you have been in a coma for the past half-century, it should not come as a shock that we are in the midst of a seismic shift in the way business is conducted. Some companies, which have been in existence for more than 100 years, have found a way to adapt to this rapidly-changing environment. Others have not been so quick to recognize the inherent danger the global economy poses to those unwilling or unable to modify their business strategies. In a sense, what we are currently witnessing supports Darwin's notion of the survival of the fittest applied to modern corporations – except for the acknowledgement that the definition of what “fittest” actually means is similarly evolving.

The manuscript is saturated with examples of companies we are all familiar with, although many readers may not be aware of the extent to which they have deviated from their original incarnations. For example, Gupta points out that the New York Times is presently moving away from its long-held status as the embodiment of traditional media and into the realm of digital product secured behind a meticulously-constructed access portal. Other stalwarts of American business (Best Buy, John Deere and Goldman Sachs) are using the new digital technologies to reimagine, reinforce and reinvigorate their relevance as consumer behavior continues to mutate as a direct result of the same transformational forces.

Gupta is the Edward W. Carter Professor of Business Administration at Harvard Business School, where he is the chair of the General Management Program and co-chair of the executive program on Driving Digital Strategy. Prior to assuming his current position, he was the Meyer Feldberg Professor of Business at Columbia Business School and an assistant professor at UCLA. In 1996, Gupta spent his sabbatical working with McKinsey & Co. He has a bachelor's degree in mechanical engineering from the Indian Institute of Technology, an MBA from the Indian Institute of Management and a Ph.D. from Columbia University. The author of numerous influential journal articles and book chapters, his previous books include “Sharpening Your SAS Skills,” with Curt Edmonds in 2017; “Data Management and Reporting Made Easy with SAS Learning Edition 2.0” in 2006; and “Managing Customers as Investments: The Strategic Value of Customers in the Long Run,” with Donald Lehmann in 2005.

More than anything else, I found “Driving Digital Strategies” to be a very thought-provoking book that opened my eyes to possibilities I had not considered previously. Gupta is as much a business historian as he is a professor/consultant. The story he weaves perpetually shifts from the present to the past and then to the future. Case in point, also from the first chapter:

“In 1960, Theodore Levitt, a Harvard Business School professor, published a provocative paper in Harvard Business Review in which he argued companies were too focused on products and not enough on customer needs. To help managers address the problem, he asked, ‘What business are you really in?’ More than five decades later this fundamental question has become even more important, as companies are moving from products to platforms and as industry boundaries are getting blurred.”

Gupta obviously believes the way ahead will require us to have an in-depth understanding of the emerging thinking processes associated with what it really means to engage in commerce. That everyone needs to see themselves as entrepreneurs is almost a cliché these days; that every company – even those mainstays of contemporary life such as General Motors, Walmart and Amazon – should view itself as a start-up is seemingly counterintuitive to how many senior executives view their organizations. There is something very profound in what the author is advocating in his roadmap for the future. Those who “get it” will no doubt do well; those who don't are probably in for a bumpy ride over the next few decades.

– Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.