



Global Immersions: A Necessity To Win In Today's Market Place

Kalle Heikkinen, Boston iLab Founder and Chairman,
William Kerr, Professor, Harvard Business School

GLOBAL INTEGRATION of business presents established Finnish companies with abundant opportunities alongside deep, existential threats. Take artificial intelligence and advanced technologies. Vodafone's adoption of these technologies delivered a 28-fold improvement in productivity for basic functionality like customer address changes, and the company now targets twice the rate of annual operational cost reduction that it did a few years ago. Yet, CEO Vittorio Colao remains restless for more, as he worries about disruption from new entrants using technologies for virtual networks. As the size of technology advances become larger, due to the compounding effect of computational advances and data developments, their impacts will be felt in more and more industries and functions.

Mandate for every executive and board member today is to understand the best ideas emerging in their sector and those likely to impact them from outside in the future ahead. Failure to do so exposes their organization to a weak competitive position against rivals or a less attractive business. Importantly, it is not their traditional peers that should dominate your attention—it is companies and ideas emerging half-way around the world.

Direct exposure to global knowledge frontiers is a must

Leading ideas and technologies as well as management practices and analytics are being developed at the global frontier cities of technology and industry change. This raises the necessity of directly accessing knowledge flows and emerging practices from the world's leading technology clusters, such as Boston. Visits and tours to these places are a good start, but likely not enough. Indeed, we believe that *consistent* access to these knowledge frontiers is as important, if not more so, than the past stock of knowledge a company has developed.

For General Electric, the imperative was strong enough to permanently move the company. As then-CEO Jeff Immelt stated: "To look out the window in Connecticut and see deer running across, I don't care about that. I want some 29-year-old graduate of MIT to punch

me right in the nose and say all of GE's technologies are wrong and you're about to lose. That's the challenge."

While some companies will be called to such actions, most Finnish companies need to access leading centers from abroad. For these companies, regular immersion programs can be particularly effective. These immersions require whole management teams and boards to participate in workout sessions in the global talent clusters to work on and to rethink their corporate priorities.

ING Netherlands is a good example of a company using global immersions program to drive transformation. In 2015, the leadership of ING Netherlands recognized that financial service industry was becoming increasingly technology-based and customer-centric. Despite having comfortable profits ("a glorious time" as one executive recalled), the leadership was hungry to achieve more and not be complacent. They embarked on immersion program that exposed them to leading ideas from unlikely places like Zappos, Netflix, and Spotify and in the process reimaged what their bank could look like. These immersions gave them the insight and courage to radically transform their organization, adopting agile teams, new office designs, and other supportive actions through the company. They "unbanked the bank" with great success.

One leader of ING remarked: "The goal was to have the top leaders of ING Netherlands inspired—they needed to understand themselves first what they wanted to attain before they could bring the message across. They shared what they learned with everybody, and it stuck."

Like ING, leading Finnish companies have been starting to invest in similar deep dives to frontier clusters to learn the insights needed and then share them back home. Huhtamaki's top management and board came to Boston with a clear objective of better understanding of how sustainability would affect the products demanded by its customers. UPM used a similar immersion to refine the business plans it was developing in each of its core businesses and to develop clarity on emerging corporate initiatives—"Aiming Higher" as they called it. Konecranes has established regular immersions to Boston with the management team and board, and even contemplates an ongoing "academy" with its peer companies.

Six steps to make your immersion program a success

Here are guidelines for the Finnish boards and management teams as they start to build their immersion programs into the global talent clusters:

1. **Ensure that the top leadership is completely bought into the strategic rationale of the immersion.** When we at Boston iLab design a workout for a client, we demand that the CEO and the whole management team, and if possible, the Board be directly and completely involved.
2. **Identify and prioritize the critical missing insights for your organization.** Focus helps identify the best applications and how you can get beyond the glossy tours. Prioritization takes a lot of work, and many clients are surprised by how much we require of their input before they ever arrive in Boston.

3. **Build the immersion into your strategic and leadership development processes.** Immersion can be used to kick-off a new process or timed to be an important touchpoint in an ongoing process. But it should not be viewed as a standalone event.
4. **Demand careful and diligent preparation before and after from executives.** The top leadership of the company must convey the need for deep preparation to attendees. Once an immersion gets started in Boston, we emphasize that the best ideas win, not titles or positions.
5. **Work to establish holistic and cross-functional insights.** Workouts can challenge individuals in their specific domains of expertise, but they are much more about challenging whole leadership teams to revision themselves and act. If all the critical decision makers are present, there is no excuse for failure to act.
6. **Build your ongoing strategy for accessing the knowledge frontier.** If you accept the premise that access to the knowledge frontier is important, you are going to need to plan a regular course of action for connecting with global talent cities outside of Finland. And this need to be a consistent immersion program, not just visits or glossy tours.