

World Knowledge Forum 2012

INSEAD BRAINSTORMING SESSION:

In the afternoon session on the second day of the World Knowledge Forum, a panel of consultants and managers in the manufacturing sector shared their ideas on organizational management, innovation, and corporate social responsibility.

"We want our corporate social responsibility programs to answer the question of 'how can both the company and community benefit?'" said Jae H. Jung, President of Ford Sales and Service in Korea. He then spoke about Ford's specific challenges of balancing donations with financial returns.

"Utilizing social media by connecting with customers creates value. Look at initiatives and tweak them a little bit by letting people find out about what is happening through social media," added Yakov Bart, Professor of Marketing at INSEAD. He outlined how the Ford brand introduced a new car by using social media and suggested that this idea could be used to connect Ford to its community in new and creative ways.

Other panelists agreed with this assessment and saw tremendous value in socially responsible programs.

"The British government is looking to Rolls Royce to take the responsibility to safeguard the brains of the UK," said Dr. Alex Wanki Jun, Regional Director of Rolls-Royce International. Dr. Jun also mentioned the need for companies to understand how their programs will be perceived in society, which will ultimately judge overall value.

The panelists then shifted their focus to innovative strategies for organizational and operational management.

Seo Young Lee, Partner at Oliver Wyman said that innovation was the key to his company's success, adding that "Innovation needs to happen across the entire value chain. Innovation needs to be pursued by the entire talent pool."

"In the past 25 years, Rolls-Royce has become a global company, with many different customer bases and markets," said Dr. Jun. As he talked about some of the specific issues that his company faces with respect to innovation, Dr. Jun told the audience how his company handled joint-venture projects and the reshuffling of management divisions.

"With the infusion of new business opportunities, we have formed 'silo organizations' and have naturally generated a certain degree of inefficiency," Dr. Jun added.

The panelists agreed, however, that investing in traditional research and development is not the key to innovation.

"We need to be smart about our spending on research and development. In the past, our theme was to utilize a catch-up strategy, but it is changing to a jump-up strategy. We need to rebuild our entrepreneurial spirit," said Daesoon Hong, Managing Partner at Arthur D. Little.

"Korean education makes workers, not entrepreneurs or CEOs," said Mr. Hong. He then pressed for an overhaul of the Korean education system instead of simply pouring more money into the research and development budget of large firms.

"We secured the money before the crisis, which is how we got over the crisis," Mr. Jung said. He credited Ford's management plan to deal with the situation.

"We created a 'One Ford Plan.' When we did business in the past, there was a regional strategy. Now, everything is bundled together," he said. However, his company faces problems with respect to issues pertaining to centralized and decentralized management.

"We are struggling to balance between centralization and decentralization. In the home country it is easy for people to forget those in the local country," said Mr. Jung.

Although Dr. Jun's situation at Rolls-Royce was unique to the particular circumstances facing his firm, the other panelists reported experiences that were not entirely dissimilar.

"Only 25 percent of the workforce speaks English as the first language," he said as he noted the communication gaps between different divisions and teams within subsidiary companies under the Rolls-Royce umbrella.

The panelists concluded the session by agreeing that companies need to push forward with innovation, rather than simply relying on old models to solve new problems.

ORIGINAL VERSION

INSEAD BRAINSTORMING SESSION:

On Wednesday, October 10, 2012, a panel of consultants, and manufacturing managers discussed ideas related to corporate responsibility, innovation, and organizational management.

"We want our corporate and social responsibility programs to answer the question of 'how can both the company and community benefit?'" Jae H. Jung, President of Ford Sales and Service in Korea said. He then spoke about Ford's specific challenges of balancing donations with a financial return.

" Utilizing social media and by connecting with customers creates value. Look at initiatives and tweak them a little bit by letting people find out about what is happening through social media," Yakov Bart, Professor of Marketing at INSEAD said in response. He outlined how the Ford brand introduced a new car by using social media and how this idea could be used to connect Ford to its community in a new and creative way.

Other panelists agreed and saw value in socially responsible programs.

"The British Government is looking to Rolls Royce to take the responsibility to safeguard the brains of the UK," Dr. Alex Wanki Jun, Regional Director of Rolls-Royce International said. He also mentioned the need for companies to understand how their programs will be perceived in society, which will judge overall value.

The panelists shifted their focus towards organizational and operational management strategies.

"When the global crisis hit, our clients stopped spending money," Seo Young Lee, Partner, Oliver Wyman said. Yet, he said his company changed the way they provided services for their clients by establishing a three point plan that addressed clients new requests and needs in a new and frightening environment.

Mr. Lee, however, said that innovation was the key to his company's success.

"Innovation needs to happen across to entire value chain. Innovation needs to be pursued by the entire talent pool," Mr. Lee added.

"In the past 25 years, Rolls-Royce has become a global company, with many different customer bases and markets," Dr. Jun said. He talked about some of these issues with innovation, specifically how the company handled joint venture projects and a reshuffling of management divisions.

"With infusions of new business, we have formed 'Silo' organizations and, naturally, have created a certain degree of inefficiency," Dr. Jun added.

The panelists agreed, however, that investing in traditional research and development is not the key to innovation.

"We need to spend research and development money smartly. In the past our theme was a catch up strategy, but it is changing to a jump up strategy. We need to rebuild our entrepreneurial spirit," Daesoon Hong, Managing Partner at Arthur D. Little, said.

"Korean education makes workers, not entrepreneurs or CEOs," Mr. Hong said. He then advocated for an overhaul of the Korean education system instead of putting more money into firms' research and development budget.

"We secured the money before the crisis, which is how we got over the crisis," Mr. Jung said. He credited Ford's management plan to deal with the situation.

"We created a 'One Ford Plan.' When we did business in the past, there was a regional strategy. Now, everything is bundled together," he said. However, his company faces problems with issues of centralized and decentralized management.

"We are struggling to balance between centralization and decentralization. In the home country it is easy for them to forget those in the local country," Mr. Jung said.

Dr. Jun's issues at Rolls-Royce were unique but similar those experienced by other panelists.

"Only 25% of the workforce speaks English as their first language," he said. He also noted the communication gaps between different divisions and teams within subsidiary companies under the Rolls-Royce umbrella.

"The panelists concluded by agreeing that entire companies need to push forward innovation, but not rely on old models to solve new problems.