

# *THE BEST CONVERSATIONS START HERE*

*AGILE GROWTH STRATEGIES*

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# **DistributedX:** **Exponential Technologies & Industry Paradigm Change**

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# The Success Trap

IBM



Kodak

*Hertz*



LEHMAN BROTHERS



AIG

*Sears*

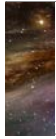


# the next 20 years...

20 years ago, AOL and Prodigy offered public web access for the first time. No social media, no smart phones, Apple was struggling to survive, Amazon was one year old. Hong Kong was still part of the United Kingdom. The United States was running out of oil.

The next 20 years will make this dramatic change seem quaint.





Internet of Things

Dynamic Supply &  
Demand Matching

Big Data & Analytics

The Sharing Economy



3D Printing

Crowdfunding

Distributed Energy  
Generation & Storage

Self-Driving Vehicles

Virtual Reality



Cloud



# A unified theory of technology & markets

One of the **most powerful forces** reshaping markets for the coming generation will be the **production** and **provision** of products and services ever **closer to the point of demand**. WE CALL THIS:



**DISTRIBUTED X**

# WE'VE SEEN THIS BEFORE

For instance,  
Just-in-Time Inventory.

**AND IT'S STILL EARLY.**



# TRANSITIONAL MODELS ARE ALREADY EMERGING

With some companies driving  
change in **stages**...

**NETFLIX**



...migrating as technologies and  
**customer behaviors change.**





# LONGER TERM?

Today, we have nearly

**250,000**

TAXI AND LIMO DRIVERS IN THE US.

Today,  
we have an **entire global supply chain**  
optimized for scale manufacturing  
at a distance.

Sometime in the next

**20** YEARS

this role will be **eliminated**.



# TRUE BREAKTHROUGHS

won't happen due to doing what we do today  
more efficiently.

THEY'LL HAPPEN DUE TO DOING WHAT WAS

HITHERTO  
IMPOSSIBLE



# IMPLICATIONS

**Competitive advantage** ain't what it used to be.



Sustainable competitive advantage  
is now the exception, not the rule.



**Transient advantage** is the new normal

—RITA GUNTHER MCGRATH

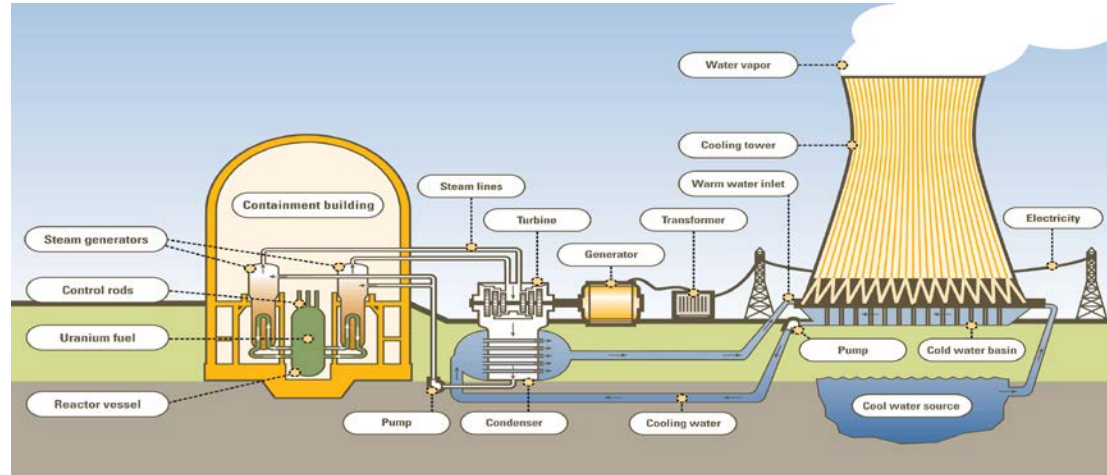


# IMPLICATIONS

**Scale** ain't what it used to be.



Scale still matters.  
It just matters **differently**.



# IMPLICATIONS

**Focus** ain't what it used to be.



# IMPLICATIONS

**Platform control** will determine value capture.

Google

IBM



# IMPLICATIONS

New economic organizations arise.

Alphabet



AngelList



# IMPLICATIONS

**Competitive advantage** ain't what it used to be.

**Scale** ain't what it used to be.

**Focus** ain't what it used to be.

**Platform control** will determine value capture.

**New economic organizations** arise.





# A Question....

Select an offering of your organization.

# VALUE

do your customers/constituents gain from this?



**How would the world look**  
if it could be **produced and provided** instantaneously  
when and where required?

One case of early paradigm change:  
**Automotive.**

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**Automotive.**

# “New Mobility World” showcases most important trends in mobility

Berlin/Frankfurt am Main, 01 June 2015

## New section at the IAA Cars in Frankfurt am Main

The new exhibition section entitled “New Mobility World” at the approaching International Motor Show (IAA) Cars in Frankfurt am Main will present the most important developments and innovations in the ever-changing world of mobility. On a total area of 30,000 square meters – including Hall 3.1 and the 12,000 square-meter outdoor circuit – the new exhibition concept will be built around the five themes of the Connected Car, Automated Driving, E-Mobility, Urban Mobility and Mobility Services. Matthias Wissmann, President of the German Association of the Automotive Industry (VDA), stressed, “With the New Mobility World the VDA, as organizer of the IAA, is creating a new platform that puts the focus on people with their changing individual mobility needs.”





# NEW MOBILITY WORLD

# Core Themes

„It is now about the major task of working with the IT sector to make personal transport even more intelligent and interconnected.“

Martin Winterkorn, CEO Volkswagen

„We are convinced, that automated driving will be a core feature of the mobility of the future.“

Elmar Degenhart, CEO Continental

„Anyone who sees only the German market as the measure of their success in the electric transport market is selling themselves short. Those who fail to act will be punished by the market.“

Norbert Reithofer, CEO BMW

„In the past we talked about the car-friendly city; now it's all about the city-friendly car.“

Rupert Stadler, CEO Audi

„We think it is conceivable that mobility services such as Car2Go could generate as much 800 million or a billion euros in revenue by the end of this decade.“

Dieter Zetsche, CEO Mercedes-Benz



Connected Car



Automated Driving



E-Mobility



Urban Mobility



Mobility Services

## CONNECTED CAR

Expansion of the network infrastructure for mobile Internet to blanket coverage already allows innovative integrated transport solutions today. The connected car is becoming a „smartphone on four wheels“. New usability and application concepts are re-inventing the „car as living space“. Never before has it been possible to make time spent in a car as full of variety; never has driving a car been easier or safer.

## AUTOMATED DRIVING

Automated Driving will completely change the common understanding of mobility and transport. More comfort and security, more efficient manner of driving, less emissions and more time for the essential things in life, those are just a few benefits of this new way of individual mobility. Automated driving will reduce the amount of car accidents significantly and will provide more safety on the streets. Optimized traffic flow will reduce the fuel consumption and helps protecting the environment.

## E-MOBILITY

One million electric cars on Germany's roads by 2020? It can be achieved. Because the products on offer are becoming more differentiated, the infrastructure is growing and usability is increasing. In short, electric transport is becoming increasingly attractive and has now reached the consumer. But it is not just electric cars that are enjoying constantly rising demand; electric bikes and trikes are experiencing an unprecedented boom.

## URBAN MOBILITY

By 2050, 70 percent of the world's population will live in cities. In the same period, the number of cars will double. A functioning urban transport system will only be achievable through innovative and integrated approaches. Seamless integration of different modes of transport is one solution. Intelligent traffic control based on real-time data becomes an imperative in the struggle to avert the collapse of road transport.

## MOBILITY SERVICES

Mobiles Internet und das Smartphone sind die Enabler für eine Vielzahl von unterschiedlichsten Mobilitätsdienstleistungen. Es wird die zentrale Steuereinheit zur nahtlosen Verknüpfung der vielfältigen Mobilitätsangebote. Einfache Bedienbarkeit und attraktive Preise sind der Schlüssel zu einem veränderten Mobilitätsbewusstsein, zu stets aktueller Information und mehr Sicherheit.

### DIE THEMEN:

- Connectivity/Infrastructure
- Driver assistance/Safety
- Communication/Services
- Intelligent navigation
- Information/Entertainment

### DIE THEMEN:

- From Driver Assistance to Automated Driving
- Improved road safety
- Efficient Mobility
- Human Machine Interface
- Optimized Test Methods
- Innovative Parking Solutions
- High-precision, current updated Information and Mapping

### DIE THEMEN:

- Electric vehicles
- Electric bikes and trikes
- Infrastructure solutions
- Energy management
- Fleet management
- Financing models

### DIE THEMEN:

- Intermodal transport options
- Real-time traffic management
- Solutions for urban infrastructure
- Municipal services
- Low-emission zones
- Local public transport
- Logistical and transport solutions

### DIE THEMEN:

- Mobilitymanagement
- Carsharing
- Carpooling
- Limousinen- und Taxi-Services
- Parkplatzsuche
- Intelligente Routenplanung
- Location based services

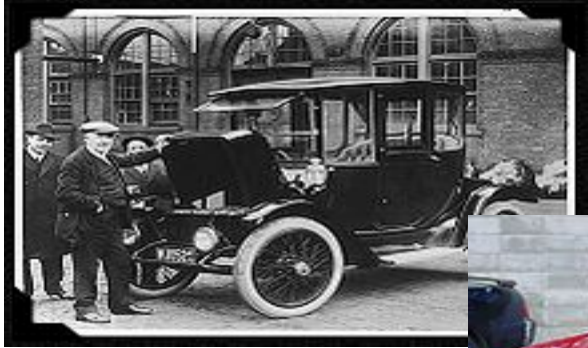
# NEW MOBILITY WORLD

A Key Metric:

# Unit Sales

# Don't predict the future... build *true* portfolios.

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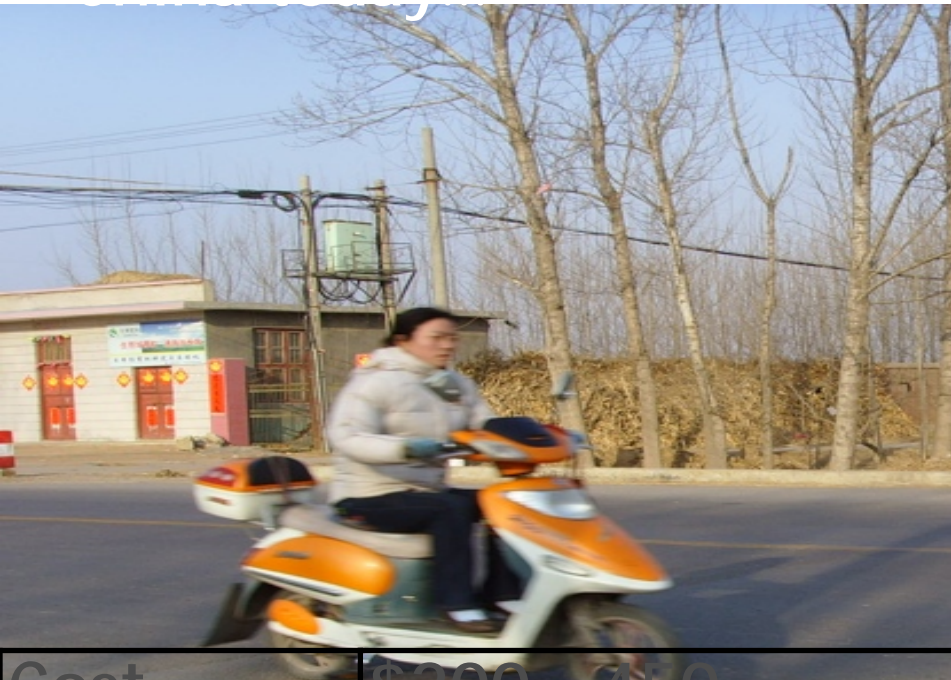




# Pure Electric Cars



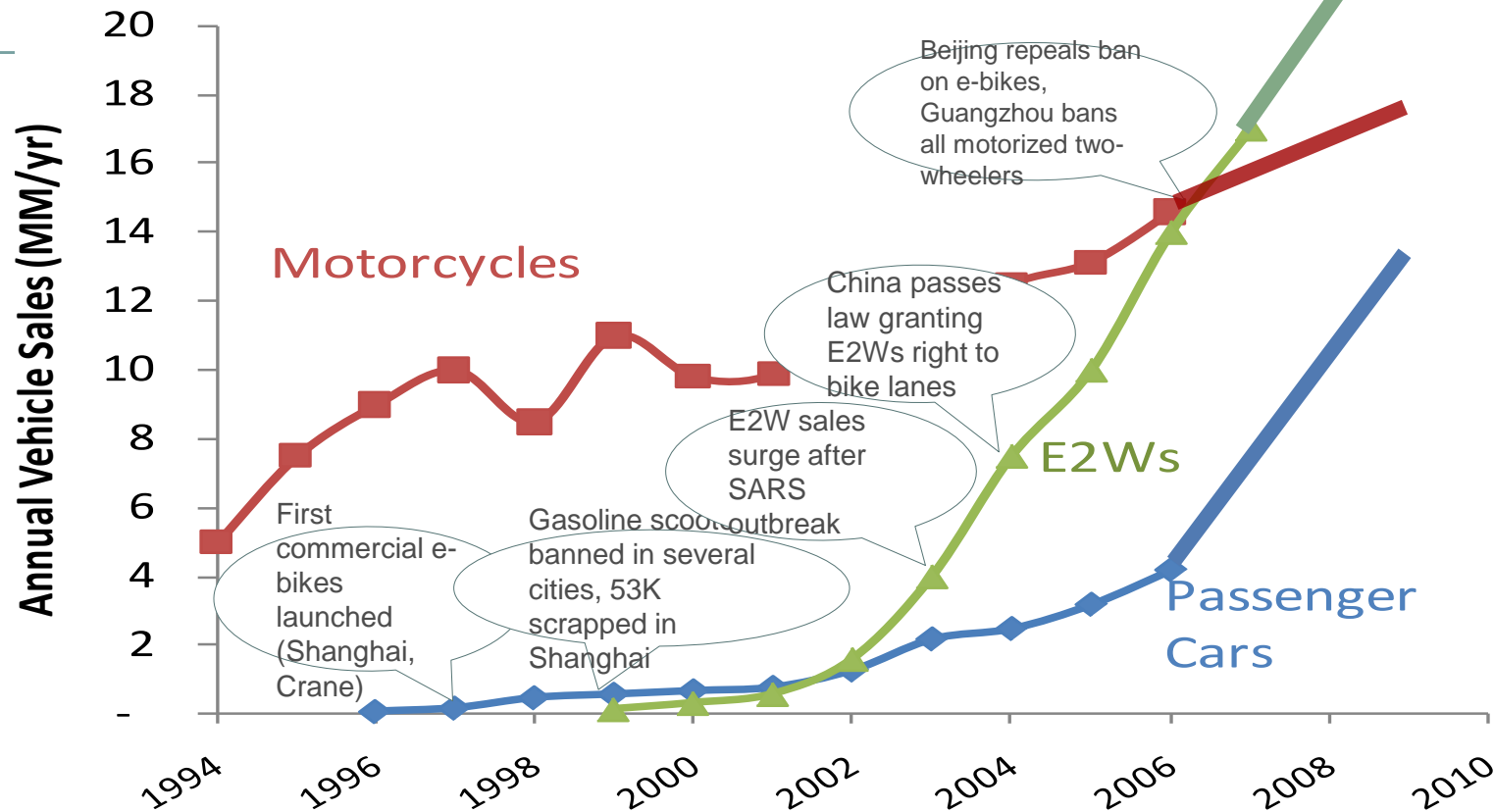
TESLA MOTORS



Cost	\$200 - 450
Speed	16-25 mph
Power	350-750 W (1 hp)
Range	20-40 miles
Efficiency	35-45 miles/kWh



Source: Jonathan Weinher  
(Chevron)



Sources: Jonathan Weinert (Chevron), E-bikes: Jamerson and Benjamin "Electric Bike World Report (2007 edition)", Personal car & autos: China Bureau of Statistics, Motorcycles: Ohara, Honda Annual Report, Feng An (2010), iCET, Pike Research





## Castrol Beyond Lubricants: THE FUTURES



CONNECTED  
FOURTH SPACE



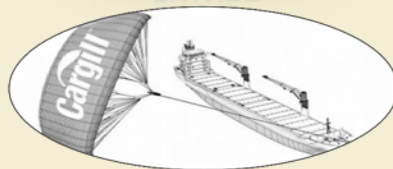
ELECTRIFYING  
FUTURE



OWNERSHIP  
VS ACCESS



INTELLIGENT  
FACTORIES



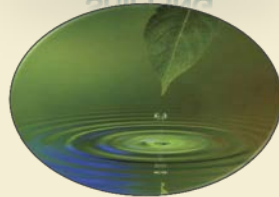
SMART  
SHIPPING



DESIGNER  
MATERIALS



ON THE  
MOVE



ROAD TO  
ZERO



OUR CITY  
MY LIFE

# Always keep the mission in mind.

1977

Challenge: Overwhelming Soviet conventional forces advantage in Europe

Strategy: Leverage technology to offset the Soviet advantage

Three platforms:

- Smart weapons
- Smart sensors
- Stealth

Direction: Get it done in four years.

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William J. Perry

Secretary of Defense, 1994 – 1997

Undersecretary of Defense for Research  
& Engineering, 1977 - 1981

# M i s s i o n

# C h a l l e n g e



# Thank you.

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