A GLOBAL EXECUTIVE LEARNING (GEL) EXPEDITION TO SILICON VALLEY FOR AN EUROPEAN EXECUTIVE MANAGEMENT TEAM

A NOTE ON THE LEX EXPERIENCE TO COMPANY LEADERS FROM THE CEO

MOVING IN TO THE FUTURE, THE “SMELL OF THE PLACE” FROM SILICON VALLEY

Dear Colleagues

Businesses’ need for speed and change has never been clearer to me. It is enough to look at the pace of change in the mobile, gambling, computer and cloud businesses. This pace has developed agile and flexible organizations that quickly meet customers’ expectations for immediate and comprehensive deliveries and experiences by being able to innovate, develop and produce on the fly. This is very clear in Silicon Valley, probably the most competitive area in the world where the rate of innovation, start-ups and fast growing companies are fascinating.

I see an obvious risk that we as a traditional company can’t keep pace and are in danger of falling behind. Even the future of our company as a whole might be at stake. This is the reason why we in the management team have spent 7 busy days in Silicon Valley learning from the outside fast paced world.

To summarize; it’s been a great learning expedition in probably the most vibrant area in the world today where innovation and fast developments lead to “disruptive innovations” (innovations that totally change traditional businesses) by companies like Uber, Netflix, Google and many, many others. But it is of course not only these companies that we see and hear about, there are hundreds and hundreds of start-ups who are benefiting from the fast development of the Cloud, faster and cheaper computers, availability of data, miniaturization, internet of things, 3D printing and many other aspects.

We met with 13 interesting companies, from small start-ups and prototype shops to large giants such as Flextronics, Sales Force, Cap Gemini and GE Digital. Not companies that we necessarily have similarities or business with but rather companies that could give us perspectives in different ways. Common to all visits have been comments about the incredible increased speed in business change, the use of Big Data, externally sourced product/service innovation but also the conviction that we have only seen the start of the change.

We also had a number meetings with insightful persons who have been able to give us perspectives on the business culture and the role of financing in the area of Silicon Valley.
A general trend that many discussed is that as products and manufacturing become more and more commodities, the only chance many companies have to compensate for this is to offer more services to their customers.

Our key insights from this learning expedition are:

- The Silicon Valley area is a vibrant melting pot with an enormous rate of change in many different areas that also have links into our business. *And we need to find a way to be faster and also accept that we sometimes need to start with something that is “good enough” instead of perfect because it would just take too long time and we might by then be passed by the competition. A tricky balance for sure!*

It is crucial to have a network of contacts at other companies and institutions (an ecosystem) that can support our objectives with different skills and competences. This is one of the main reasons for the success of Silicon Valley. *We can’t do everything ourselves, we must find partners!*

- To be able to be creative, there is an attitude in this part of the world that it is OK to fail and then move on and make it right the second or third time, but the process has to be fast during the iterations. *What can we learn by the mistakes and move on?*

During the week we developed a first draft of a new “Value Proposition”, in other words what we are offering our customers today and what will we offer them in the future. I will continue to inform you all about our thoughts and conclusions as we move deeper into this work.

And finally:

To be successful in this new environment of low global growth (some even call it Global Stagnation) and very tough competition, tougher than ever before, we need to develop and live a “CAN DO ATTITUDE”, where we look for opportunities and go for them with a positive attitude even if we have limited resources. So the next time you face an initiative or challenge, let’s say, “Why Not” and figure out a way to move forward even if we have scarce resources. And help yourself and your colleagues to build a strong company!

What I’ve written above can for sure be understood in many ways. Please use my favorite expression; “Choose to understand” rather than find weaknesses in the conclusions. The world is changing and we need to change to!

San Francisco

Friday April 22, 2016