HARVARD CLUB OF AUSTRALIA

Leading in the Digital Age: Better Decisions by Design

Presented by Harvard Business School Professors
Karim Lakhani and Leslie John

Sunday 5 February to Thursday 9 February 2023
RACV Healesville, Victoria

DIGITAL INNOVATION AND DECISION MAKING

To compete in today's turbulent and demanding global business environment, organisations must continually revitalise and transform themselves. This program will provide participants with fundamental frameworks that help leaders in the continual task of aligning the key elements of a dynamic organisation in the digital age – strategy, digital know-how, formal organisation, and the pivotal role that leaders have in shaping decisions and behaviours to execute their vision.

"The goals of this program are to help participants to understand the new mindsets and skills that must be embodied in a new breed of leader: the digital leader"

"Very well run program – one of the best executive education programs that I have attended. The Professors were able to distil the key leadership messages from each case study, supported by relevant theory, and make it relevant to any industry/sector. Fantastic venue!"

Steve Pearce,
Deputy General Manager - MSP, Nova Systems

DYNAMIC LEARNING EXPERIENCE

Powerful results

For 23 years Harvard Club of Australia has offered this five day residential program based on the renowned Harvard case study method. The case method engages you in a stimulating, collaborative process of identifying relevant issues and applying practical business lessons to your own situation and organisation. Step back from day-to-day responsibilities and reassess your situation with world-class faculty in a diverse network of accomplished executive peers. Immerse yourself in this proven learning experience, and develop a broader perspective of the challenges facing your organisation and your leadership capabilities.

And while you are learning you will be creating an opportunity for others to learn. The profit generated by this program allows the Harvard Club of Australia to offer a range of scholarship programs for Australians from all walks of life to attend programs at Harvard.

WHAT PAST PARTICIPANTS SAY

WHO SHOULD ATTEND

The program is designed for senior executives with general management responsibilities in both private and public companies. It is also appropriate for senior functional managers who have important cross-functional or cross-organisational responsibility, executives who need a broader perspective on company operations, and those who may become business unit, divisional or regional leaders. Executives who need to develop a more comprehensive, integrated perspective and to sharpen leadership skills to face new challenges will benefit most from this program.

TITLES OF PREVIOUS PARTICIPANTS INCLUDE:

Title	%
Company Directors	8
Director Generals	18
CxOs	10
Executive Managers	20
General Managers	20
Senior Managers	19
Other	5
Total	**100**

PREVIOUS COMPANY DELEGATES

- ANZ
- ActewAGL
- AMP Control Group
- Airservices Australia
- Allied Petroleum Limited
- Ballance Adri Nutrients
- Bank of Queensland
- Boundary Bend Limited
- Broadspectrum
- Brown Bros.
- Bunnings
- CSL
- Caltex Australia
- Centennial Coal Company Limited
- Cochlear
- Defence Science & Technology
- Department of Defence
- Department of Science & Industry
- Deutsche Bank
- DEXUS Property Group
- GPT
- Haven Home Safe
- Honeywell
- International Health & Medical Services
- iCare
- Griffiths University
- Jetstar
- Kennards
- Kmart
- Link Group
- Macquarie Group
- Maxxia
- Mainbrace
- National Australia Bank
- Nova Systems
- Petrogas Limited
- PGi
- Qantas
- ResMed
- REST
- Seven West Media
- Suncorp
- Westpac Banking Corporation
- Woolworths

WORLD CLASS FACULTY

KARIM R. LAKHANI

Karim R. Lakhani is the Dorothy & Michael Hintze Professor of Business Administration at the Harvard Business School and the founder and chair of the Digital, Data and Design (D3) Institute at Harvard University. He specialises in technology management, innovation, digital transformation and artificial intelligence (AI). Karim is known for his original scholarship on open source communities and innovation contests. His digital transformation research investigates the role of analytics and artificial intelligence (AI) in reshaping business and operating models. This research is complemented through his leadership as co-founder of the Harvard Business School Digital Initiative and as co-founder and co-chair of the Harvard Business Analytics Program, a university-wide online program transforming mid-career executives into data-savvy leaders.

He is the co-author of the award-winning Competing in the Age of AI (2020) a book published by the Harvard Business Review Press. His research has been featured in BusinessWeek, The Boston Globe, The Economist, Fast Company, Inc., MarketWatch, The New York Times, National Public Radio, Science, The Wall Street Journal, The Washington Post, WBUR, WGBH, and Wired.

Karim has taught extensively in Harvard Business School's MBA, executive, doctoral and online programs. He has co-developed new courses on Digital Innovation & Transformation, Digital Strategy and Innovation, and Laboratory to Market.

Karim was awarded his Ph.D. in management from the Massachusetts Institute of Technology. He also holds an SM degree in Technology and Policy from MIT, and a bachelor's degree in Electrical Engineering and Management from McMaster University in Canada. He was a recipient of the Aga Khan Foundation International Scholarship and a doctoral fellowship from Canada's Social Science and Humanities Research Council. Prior to coming to HBS he served as a Lecturer at MIT's Sloan School of Management. Karim has also worked in sales, marketing and new product development roles at GE Healthcare and was a consultant with The Boston Consulting Group.

LESLIE JOHN

Professor John is a behavioural scientist who specialises in how people make decisions, and the wisdom or error of those decisions. She is known for her pioneering work in privacy decision-making, identifying what drives people to share or withhold personal information, as well as their reactions to firms' and employers' use of their personal data. She devises interventions to help firms and consumers alike realise the benefits of the availability of data. In another line of research, Professor John studies health decision-making, devising psychologically-informed interventions to help people make healthier choices.

Her award-winning work has been published in leading journals including *Harvard Business Review, Proceedings of the National Academy of Sciences, Psychological Science, Management Science, The Journal of Marketing Research, and the Journal of the American Medical Association.* Her work has also been featured in media outlets including the *New York Times, The Wall Street Journal, Financial Times, Forbes, The Globe and Mail, and Time Magazine.* She has received numerous awards, including from the Association for Psychological Science and the Marketing Science Institute; and was named a Wired Innovation Fellow.

Professor John holds a Ph.D. in behavioural decision research from Carnegie Mellon University, where she also earned an M.Sc. in psychology and behavioural decision research. She completed her Bachelor's degree in psychology at the University of Waterloo in Canada. She has also worked in marketing and regularly lends her expertise in a variety of ad hoc consulting engagements, including Fortune 500 firms such as Goldman Sachs, JP Morgan Chase, PepsiCo, and GlaxoSmithKline.

INDICATIVE CASES AND PROGRAM CONTENT

Pundits, forecasters and gurus had long been heralding the arrival of the new digital age. Indeed most of us carry more computation power in our back pockets than was available to all of IBM just a few years ago. All of us are connected to each other, globally, and can access any information anytime on any topic. We can set our heaters remotely, turn on our cars, check our KPIs and maybe even figure out the productivity of our employees by just looking at our phones. Yet, the story of digital transformation is not only one of excitement and success, but also one of anxiety and fear. Nokia and Blockbuster disappeared, virtually overnight, along with many other corporate giants. The increasing disparities among both organisations and individuals are seeding frustration, dissatisfaction and unrest, with implications running rampant across our political, social and economic systems.

FOCUS ON DIGITAL OPPORTUNITIES

The program is focused on the opportunities and challenges created by the digital transformation of our economy, and the emergence of digital networks and artificial intelligence (AI) as a foundation of the modern organisation. The course is based on a framework for understanding how organisations create, capture and deliver value and how to make better decisions in the organisation with both people and machines.

CREATING AND CAPTURING VALUE

As our economy is gradually rebuilding on new digital foundations, industries are increasingly colliding with "digital" organisations, and the way value creation, capture and delivery works is being transformed. The framework breaks down the analysis into an evaluation of how the organisation's business model (how it promises to create and capture value) and operating model (how it delivers the value to its customers) has changed through the implementation of AI systems that are essentially decision machines, they either make decisions for us or help humans make decisions.

AI IS DRIVING COMPETITIVE ADVANTAGE

Everyone expects digital transformation to change (and ideally, improve) operating models. For years, enterprises have been investing in information technology to drive new efficiencies and streamline all kinds of traditional operating capabilities and processes. From back end ERP systems to mobile apps, to machine learning-based pricing and forecasting algorithms, information technology is driving new significant competitive differences across firms, and changing the nature of competition. Our data show these differences are both significant and increasing. More than simple incremental improvements, advances in AI are dramatically changing the nature of dominant firms and the structure of our economy.

Powered by data and processing technologies, the age of AI offers seemingly

infinite new opportunities to influence the decisions of consumers and employees alike. Advances in personalised advertising can spur consumer purchasing; real-time feedback can augment employee performance. Participants will learn how to realise opportunities such as these while mitigating and managing their pitfalls. They will do so by delving into the latest behavioural science on understanding and shaping decisions for better—their own managerial decisions as leaders, as well as those of their employees and customers. Participants will work through a 3-part framework. First, they will uncover the hidden biases that shape our decisions—biases that are pervasive in both offline and online contexts. Then, they will learn how to design choice environments to shape decisions for better. Finally, they will learn how to deftly use experimentation to test and rapidly iterate on promising designs.

AI AMPLIFIES CHALLENGES

While it creates value, digital technology also amplifies competitive differences and challenges in how that same value is captured. Additionally, it creates a number of critical problems, from enhancing cyber security risks to creating new privacy and bias related problems. Furthermore, digital transformation concentrates power and fosters new differences across stakeholders. It creates winners and losers, as markets tip and new sources of scale all too often drive competitive advantage.

The march of digitisation and AI and its many dramatic implications, are clearly not going to stop any time soon. Digital transformation is well underway, and our business and economic options have already shifted for good. The best course of action is to understand, and work to shape our common and connected future. This is what the *Leading in the Era of AI* program seeks to achieve.

TOPICS

- **Discover the hidden forces that shape our decisions – in both digital and offline contexts**
- **Learn how to shape decisions for better, and how to leverage digital platforms to test and measure the impact of these efforts**
- **The economic and technological factors that are at the heart of the digital revolution**
- **The clash between existing business models and new digitally enhanced models emphasising platforms and ecosystems**
- **New challenges presented by the availability of personal data and how to better manage them**
- **The competitive interactions among firms with different digital business**

INDICATIVE CASES AND PROGRAM CONTENT

Commonwealth Bank of Australia

Description: Students are provided with an in-depth view of the process of designing and implementing a large-scale field experiment in a modern organisation, how experimentation can promote organisational learning, and why experimentation can be simultaneously crucial and perilous for business leaders.
In August 2017, Commonwealth Bank of Australia (CBA) was looking for ways to differentiate itself from other nationwide banks in Australia, and was also trying to improve the financial wellbeing of its customers. One domain where this was particularly relevant was in its bank-issued credit card business, where customers routinely selected cards that although profitable for the bank could be a poor fit for customers' needs – leading to low satisfaction scores, cancellations, and occasionally, financial distress. To that end, the company had developed a provocative proposal: to test the impact of promoting each credit card's less-obvious drawbacks (in addition to the strengths, as was standard practice). Being transparent with customers might help them make better choices, but would those choices come at the expense of bank performance? Should a company choose to be in the sales prevention business? These critical questions underlie the dilemma faced by Amy Cunningham, Executive Manager of the Digital Personal Finance team at CBA, who had to decide whether to recommend greenlighting the experiment, which if executed would be the largest in the bank's history, experienced by roughly 400,000 customers.

Fishbowl

Description: In Fishbowl, participants learn how design decisions shape consumer behaviour – here, user engagement on a social media platform – and the implications and challenges that this has for revenue goals. In short, it speaks to the importance of alignment between the user engagement model and the revenue model, and the challenge of fostering such alignment. It is an exemplar of the common challenge that platform companies face, whereby actions that serve one stakeholder or goal do so at the expense of another stakeholder or goal. Managing this tension is necessary to be successful in this space.

VideaHealth

Description: The digital age has brought Artificial Intelligence (AI) to the business world. In this case, participants will learn how firms can use AI for competitive advantage. Florian Hillen, co-founder and CEO of VideaHealth, has spent years laying the groundwork a company that uses AI to detect dental conditions on x-rays. Hillen knew that his company's technology would appeal to individual dentists or dental service organisations (DSOs), who could use AI to make diagnoses more accurate and improve patient trust. Yet Videa would also benefit insurance companies, who could use the technology during the claims review process. Poised to take the company to market, Hillen must decide which customer segment to pursue. This case exemplar also facilitates discussion of the steps required to realise the benefits of AI—stages that can necessitate innovation of core capabilities, from algorithm development to software infrastructure, to developing an experimentation platform.

OUR LEARNING ENVIRONMENT

LOCATION

Nestled in the foothills of the Great Dividing Range, RACV Healesville is located in the heart of the Yarra Valley, just over an hour drive from Melbourne Airport.

VENUE HIGHLIGHTS

The venue offers state of the art conference facilities showcasing the magnificent mountain views. Accommodation rooms offer first class amenities and a range of club facilities are available including gym, pool, golf and more.

PROGRAM REGISTRATION

Visit www.harvardclub.org.au for an Application Form or contact,

Anita Pike, Program Manager, **programs@harvardclub.org.au**

Applications and payment are due
four weeks before the program start date.

Early registration is recommended.

COMPANY SPONSORSHIP

We offer a range of pricing options for companies willing to send teams and/or sponsor multiple participants.

PROGRAM FEE

A$11,250 + GST per participant.

The program is fully residential and price includes all meals, accommodation and instruction material. Parking at RACV is complimentary. All personal expenses and room services are not included. A bus to and from the venue will be provided. Those not using the bus will need to organise their own transport to the venue.

FOR MORE INFORMATION

Please contact a program team member:
Anita Pike, Ben Attfield, Program Managers, or
Melinda Muth, Program Director

02 8916 6384
programs@harvardclub.org.au
www.harvardclub.org.au